THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

October 23, 1948

OVERSEAS INVESTMENTS

AN EDITORIAL

Students In Red China

A Report

GY: After Two Months

J. R. Kaim

Who Are Malaya's Aliens?

Andrew Roth

DISCIPLINING SOLDIERS

AN EDITORIAL

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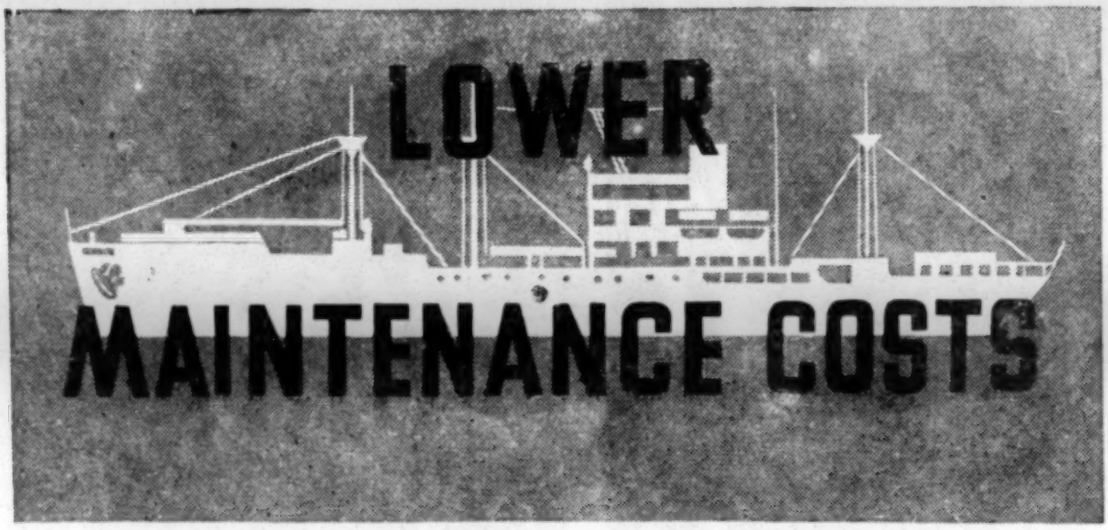

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

No Mistakes

To The Editor:

Hongkong is little concerned with the funny story that General Chiang Ching-kuo was to ask for the extradition of Aw Haw, son of Aw Boon Haw, for the crime of violating the Exchange Law. Aw Haw declared that he was always for the Party and the State and that as such he would not do anything against the national policy. His father also announced that he did not believe the son would do such a foolish thing.

Supporters and eulogists of the Tiger Balm King said the charge against the youngster for any currency offense would be as unfounded as the accusation against the old man that he flew to Japan, conferred with and congratulated Tojo for licking the Anglo-Americans, and then came back to Hongkong with the monopoly of selling rice in Captured Territory and publishing newspapers in propagating co-prosperity ideals in occupied China. Evidence of the falsehood of such charges could be seen by the fact that the Generalissimo has favored the father and son more since the enemy capitulation.

If there were any persons who did these irregular things in the names of our beloved philanthropists, they must be the imposters.

L. H. H.

Hongkong
October 2, 1948

Jap Alliance

To The Editor:

I read that our ex-premier Dr. Chang Chun declared in Japan that we Chinese should seek an alliance with Japan and other Asiatic countries for the purpose of promoting our collective Asian security. We should develop powerful armies and fleets, he said, in order to keep pace with the Allied powers in their struggle against communism.

I, for my part, don't agree. I feel that such a policy would be suicidal and would make China the first victim of World War III. Obviously it would be a dog-in-the-manger policy to play the aggressor's game. I also doubt that Dr. Chang's words are in agreement with American policy. It is known by all that we Chinese have had the bitterest experience with Japanese aggression. How could it be possible for us to team up with, and help to rebuild, that aggressor who, in the recent past, had destroyed millions of our homes and butchered millions of our people? It is only natural that we should be determined that this shall not happen again, and, in the light of such a spirit, Dr. Chang's words are indeed hard to accept.

CHOU TSING-CHEH.

Wukong, Hunan
September 29, 1948

Graduates' Jobs

To The Editor:

The letter which appeared in the September 18 issue of the *Review* moves me a great deal. The professor's kind-

THE CHINA WEEKLY REVIEW

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ness to that unemployed college graduate must be admired by everyone who is out of work. However, the graduate concerned did not take that teaching job simply because the school is situated far away from a big city. In his case he makes his own bed and must lie in it. Therefore, I think that his unemployment problem will remain unsolved unless he changes his attitude. Otherwise the day may arrive when he will be forced to beg for a living.

I am one of those who received a college education through the help of a government loan and I wish to be able to do something which would repay this kindness. During these hard times it is a fact that any kind of a job is not easy to find but once an opportunity is offered we should not refuse it. It is a universal truth that college graduates are really to blame for their unemployment since the sphere in which they might render their services is rather wide. Actually, teaching in a school situated in a remote rural area should never be a disgrace to a college graduate. Any job is worth undertaking if it is well done. Although it is a waste not to place a college graduate in a position for which he was trained under the present chaotic conditions one should adapt himself to any job. Perhaps a few years from now there will be a changed situation and a graduate will get a job as soon as he leaves college.

I offer my respects to the professor and my suggestion to that college student.

WHIMER LI.

Lihsien, Hunan
October 3, 1948

Student Welcome

To The Editor:

Dr. Hu Shih has been enthusiastically welcomed by the students of Wuhan. In compliance with the invitation of Dr. Chow, president of National Wuhan University, he has come to give some scholarly lectures to the students in Wuhan.

In many respects China is still far behind the Western countries in the matter of science. What is urgently needed and what should be quickly established is that spirit of the Renaissance. Since the opening of China to foreign commerce and the rapid influx of ideas from the West the so-called "Eastern Spiritual Civilization" advocated by our nationality-conserving prigs has decayed.

Under present circumstances, I venture to suggest that something truly new and vigorous should be revealed to China's youth in order to stir up a new birth in this old "Middle Kingdom." Men like Hu Shih, leading character in the literary movement who has ever borne the standard of liberty, should lead us towards the way of independent manhood and a free life.

I am no important person in our country but I love my country and so though my words may be humble beside those of the learned Doctor, yet my feelings firmly persuade me to express myself. In the Book of Rites it is said: "It is an extreme cause of shame for the intellectuals that barriers prevail in the suburbs!" Will our distinguished and accomplished Doctor condescend to nod in the affirmative about my version.

Here let me give my best regards to our good Doctor whom I am going to listen to when he lectures on the subject of "Liberalism" at three o'clock this afternoon.

K. C. HSIUNG.

Wuchang
October 4, 1948

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Reader Approves

To The Editor:

This is to express my appreciation of the *China Weekly Review;* a most excellent example of the best class of journalism, so I think. The coverage of the world situation is indeed compact and inclusive. It is, from the standpoint of progress, as good as honest and able journalism can make it.

The use of generous space for Letters-to-the-Editor is, I think, an excellent thing. I am proud of the spirit of intellectual progress that can be seen in the correspondence. I hope that a better prospect can be brought into the world for the Asian People—and all others; it is in the lap of the Gods; we shall see.

I regard the spirit of the Chinese People as being exemplified in the Mass Education Movement and the Cooperatives. Worldly means are not now at my disposal. But many things may be in the future. Man is ignorant.

S. SUTTON.

St. Helena, California, USA
September 24, 1948

Sexual Line

To The Editor:

When I was abroad I did hear that social intercourse between girls and boys is very close and free in the Missionary Universities (not Catholic). Now I am studying in a Christian University in China and I realize that the situation is quite different from what I heard before. I never see boys talking or walking together with girls on the campus after school hours; except for a few couples who are lovers. Boys and girls do not sit closely together when they attend lectures. One thing which surprised me is that even the tutor of Biology classified all the girls in a group, making them sit in front; of course this would not happen in a foreign university. I doubt very much whether the boys are brave enough to salute the girls with smiling faces and certainly the girls are ashamed to communicate with the boys. Anyhow I am pretty sure that college students of the 20th Century do not want such conditions; there should be chances like "New Student Parties" at the beginning of the term for the boys and girls to get to know one another and cooperate in their friendship.

As I am a freshman I am not in a position to suggest such things. I hope that those who are in Junior and Senior classes will suggest a plan for the school committee which will break the quietness between girls and boys. Otherwise it would seem that Chinese civilization is falling back into feudalism.

CULTURAL MAN.

Hangchow
October 8, 1948

Freedom To Dissent

To The Editor:

The situation has gone from bad to worse since the last three months passed.

A series of periodicals have been forced to cease publication. Scores of students have been summoned to Special Courts in every corner of the country. People are under no protection. Associations of intellectuals have been forbidden to meet.

What is funny is the law of publications which says: "We cannot have any attempts to overthrow the government or endanger the Republic of China." This refers even to the retirement of an old-fashioned government and the inauguration of a new government.

For example, while Churchill was in power, the Labor Party tried every

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—BULWER-LYTTON.

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means to overthrow the Churchill government. Now that the Labor Party is in authority, the Tories are disgusted with them and try to overthrow them.

Moreover, Dewey and Wallace are now making propaganda against the yoke of Truman. We never hear that Dewey or Wallace are considered guilty of a crime.

On the other hand, our government regards those who criticize it as bandits or people who endanger the Republic.

The KMT, in order to maintain its own privilege, tries to ban our publications, censor newspapers, detain students, and assassinate democrats. They do not try to benefit the people as a whole.

In order to perform constitutional democracy, our government should first of all respect the will of the people so that all patriotic citizens have the right to express what they think about national affairs; publish books, print newspapers.

Otherwise, "constitutional democracy" will prove a hackneyed slogan.

J. Y.

Wuchang, Hupei
September 28, 1948

Far-Sighted Reform

To The Editor:

It seems that Chiang Ching-kuo has become a most welcome and distinguished name in Shanghai. The straightness, fearlessness, and fairness which he has demonstrated in the conduct of his duties as economic supervisor have made him a hero to Shanghai's residents. Doubtless, Chiang deserves our respect and gratitude for his interest in the people's welfare. It can be predicted that there will be less blackmarting and no price spiralling for a few weeks to come. People in Shanghai will have a comparatively stable time for the first time in the last ten years.

However, a glance at the whole show, of which currency conversion forms a major part, leads one to think that the nation's economic future does not look as bright as it could be hoped. There are really few constructive measures.

The arrest of a few profiteers may help a lot, but its effect is shortlived, the effectiveness will disappear if no further constructive steps are taken. Steps like improving the people's livelihood, so as to raise administrative efficiency and wipe out corruption; reducing government expenditures so as to balance the budget, or approximately balance it. These are steps for the government to take right now.

The restoration of the peoples' confidence in the new currency is of vital importance. Having learned the lesson of inflation in the past years, the rank and file, in order to maintain their purchasing power, immediately transform their money into commodities, thus accelerating price spiralling. General conditions of this country are no better than what they were before this reform. The Gold Yuan is just a piece of paper as the CNC was. Therefore, the restoration of the people's confidence in the new currency must be based on the government's effort and ability to balance the budget and, what is more important, not to make up the financial deficit by issuing more and more money.

Even if this is done, the question remains whether production can be boosted so as to satisfy the economic law of supply and demand.

I have been in the city of Nanchang for some time and am discouraged by conditions prevailing since the currency conversion. Owing to the loose control of the authorities, black marketeers are active throughout the city; meat, fish, chicken, eggs and the like have been running short. It is extremely difficult for a civilian to keep himself from undernourishment without breaking the law and trading on the black market.

It seems to me that the government needs more competent persons to map out far-sighted plans, and more Chiang Ching-kuo's to enforce these plans.

L. C. CHANG.

Nanchang, Kiangsi
September 27, 1948

Anking Education

To The Editor:

I should like to tell you of the plight of education here in Anking, which was once the capital and cultural center of Anhwei Province.

Before the outbreak of the Sino-Japanese war in 1937, Anhwei was a city of promising progress in all fields, and the field of education was no exception. We then boasted nearly 40 primary schools, eight middle schools, and a flourishing university. The teachers, even of the primary schools, were university educated, and most of them had had considerable teaching experience. Furthermore, the provincial Board of Education strictly supervised the schools, making certain that they devoted every effort to increasing their efficiency and bettering their standards. The students forgot their private affairs in the joy of competition, with the result that their average grades were very high. Most of the senior middle school graduates who participated in the entrance examinations at the big universities in Nanking and Peiping, passed with flying colors. In those days, a primary fourth-year student could write a good composition using over 300 characters. Students flocked to Anking from nearby towns and cities, and even from far-away places. This was truly the Golden Age of education in Anking.

All that has been changed. After July 7, 1937, Anking was disturbed by frequent air bombings. Students were dispersed from the tall school buildings to small private houses. Since there were not enough teachers to handle these numerous, smaller groups, a double-class teaching system was adopted which resulted in a noticeable diminishing of learning speed.

Following this period of uncertainty and bombing was the period of Japanese occupation. Educational stagnation became far more pronounced. Only three primary schools and two middle schools were permitted to operate by the Japanese, who required that the Japanese language be a major subject and insisted that a large part of the students' time be spent in studying Japanese propaganda. Most of the well-qualified teachers refused to teach under Japanese domination, and the average teacher at this time was a graduate of primary or middle school who had had no previous teaching experience at all. About all that was learned by the students was a bad-sounding pigeon Japanese.

After VJ Day many of the schools in Free China moved to Anking, which resulted in badly crowded educational facilities. In addition, National Anhwei University was re-opened in 1946. Most of the qualified teachers of long experience were back, and it seemed that once more Anking would be entering upon a Golden Age of education. This, however, has not turned out to be the case. The general average of the students is far below that of prewar days. This was caused partly by the preoccupation of the teachers with making their small salaries stretch to cover the ever-rising cost of living, and partly by the students' preoccupation with political activities which resulted in an almost complete neglect of their studies.

The introduction of the currency reform has temporarily relieved this situation. The revised teachers pay is adequate for the average family, provided commodity prices hold at their present levels. If the teachers of Anking can remain freed from the burden of worry over money, education in Anking will once again flourish.

ANTHONY HO CHIAO-YI.

Anking, Anhwei
October 4, 1948

NOTICE

THE *China Weekly Review* will not publish anonymous letters in these columns. Every letter intended for publication must bear the writer's NAME and ADDRESS, for the information of the editors. In cases of group petitions, statements or announcements, the letter must be signed by a responsible official or delegate, likewise for the information of the *Review*. If it is specifically pointed out that the author wishes to have his letter published under an assumed name, or his initials, this will be complied with, and his identity will not be divulged. However, in all instances the *Review* must be aware of the identity of the writer if he expects to see his communication appearing in these columns.—*EDITOR.*

Communications

To The Editor:

Whatever else Chinese may fail to agree on, there is one thing on which agreement is universal—that is, the importance of communications, generally, and to this country particularly. Where communications are well developed, progress is rapid: in a country without a well developed, up to date communications system, progress and change are bound to be slow. Such a country is almost always backward and feudal. With this fact in mind, let us take a brief look at China's communications today:

The total mileage of China's railways after VJ Day amounted to 30,136 kilometers, including Taiwan, Hainan and the Northeast. The latter area alone accounts for 11,336 kilometers of the above total

Before the war, China's shipping totalled 576,000 tons. Only 80,000 tons remained by the end of the war. Additional tonnage has been gained during the last two years through purchases and reparations, amounting to a total of 3,317 ships with a combined tonnage of 951,826 tons.

The CNAC and CATC airlines have a total of 83 planes. However, due to a lack of spare parts, only 63 of these are in operation.

China before the war maintained 109,000 kilometers of highways. Only 49,600 kilometers were intact after VJ Day, of which the Communists have since destroyed 5,000 kilometers.

After the Japanese surrender, there were 55,536 kilometers of long-distance telephone wire and 100,991 kilometers of cable wire.

The Central Government Radio Administration now maintains 22 network lines between Nanking and London and San Francisco.

The above are admittedly incomplete figures, taken from a Ministry of Communications press release last year.

Today, the figures are probably different, and it can be assumed that the change is not for the better. Civil War destruction cannot be ascertained with complete accuracy, but it is known to be high. The Nationalists may strive mightily to rebuild what the Communists have destroyed, but with the flames of war spreading, they cannot hope to keep pace.

It would be enlightening to look at the above figures once more and compare them with Dr. Sun Yat-sen's "Plan of Industrialization for China" which calls for 160,000 kilometers of railways, 1,600,000 kilometers of highways, 10,000,000 tons of shipping, and an extensive postal and tele-communications network.

The history of modern communications in China is over 100 years old. How far behind we are in the development of this necessity to progress and reconstruction! And it is obvious that there can be no hope for China's developing her communications until both the Nationalists and the Communists lay down their arms and work together to bring their country out of the morass of feudalism and backwardness.

CHANG KUANG-CHU.

Nanking
October 5, 1948

Promises....

To The Editor:

I was surprised when our President said that he would extinguish all the Communists in the area between the Yellow River and the Yangtze within three months.

It seems remarkable. I had never heard such words from the most powerful world leaders, guaranteeing to end a war in three months.

But I hope our President brings his words into fact, letting Peace hold sway over China.

Then we Chinese people will breathe a mouthful of free air.

CHOU TSING-CHEH.

Wukang, Hunan
September 20, 1948

Taiwan Predicament

To The Editor:

Since the proclamation of the currency reform on August 19, 1948, the conversion rate between Taiwan currency and GY has been frozen at 1835. Taiwanese met the reform with both optimism and suspicion. What the effect of the reform on the local market will be is of great concern to local business circles, who are adopting a wait-and-see attitude toward the new economic policy and are suspending their business activities for a short time lest they run the risk of losing their good money in case of unexpected fluctuation.

Pursuant to the order of the Central Government, the Bank of Taiwan began withdrawing foreign currency, gold and silver from the whole province. In exchange, large amounts of local currency were urgently needed and in addition to the issuance of bank orders, volumes of new local currency came off the press, thus increasing the figure of note-issue and flooding the money market. Coupled with the lack of commodities as a result of the embargo placed on exports from Shanghai, the idle funds derived from the sale of foreign currencies and gold bars found no way out and were directed to the hoarding of commodities. As the demand far exceeds the supply, commodity prices are skyrocketing day by day. Heading the list are cigarettes, while daily necessities are following suit.

In anticipation of further increases in commodity prices, groups of people are going from shop to shop buying whatever commodities they come across, thus alarming shop proprietors and playing havoc with the market. Some of the shrewder shop-owners are putting aside their essential articles while others are suspending business under the pretext of repairing their premises.

What seems to be most serious, is that foodstuffs of major importance such as rice, flour, oil and meats are unobtainable in the market. Under these circumstances, housewives cannot help resorting to the black market for their daily supplies. One of my colleagues, failing to obtain sufficient rice, was compelled to live on a diet of congee for several days.

If no drastic steps are taken by the Provincial Government to stamp out hoarders and speculators, this man-made rice crisis will continue to exist, making it impossible to carry out currency reform smoothly.

As a famous Chinese economist pointed out, "Price control without rationing is liable to encourage the revival of the black market and provide a golden chance for speculators and hoarders."

H. T. LEE.

Taiwan
October 10, 1948

Hongkong Today

To The Editor:

Double-Ten was quitely observed here. In the island and Leased Territory holiday-goers crowded cafes, restaurants, theatres, playgrounds and main streets. The rulers and the ruled appear very amicable to each other. The only complaints published in papers are Chinese protests to Tai Li's remnants' meddling in innocent overseas Chinese business and the Chinese Maritime Customs officials' seizing, searching and confiscating people's properties within and without the Colony.

This is Hongkong. This is the para-

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October 21, 1948.

dise of the wealthy whose benevolent despotism has harbored a million and half laborers who are waiting for Comrade Stalin to "liberate" them from their "freedom."

Thanks to the bankruptcy of the Kuomintang propaganda and laissez-faire policy of the British colonial authorities, the Bolshevik ideology has been rooted among the Hongkongites. The Kuomintang's publicity machine, paid indirectly by Uncle Sam, is still in the hands of those who uphold Hitlerite Fuehrer principles-one leader, one party and principle. These distasteful "doctrinaires," usually print a few copies of their materials. In the bookshops and news-stands one seldom finds any Kuomintang publication. The news boys as a rule do not sell the Kuomintang organs, not because these boys are Red, but because it is bad business, in fact no business, to be a vendor of Kuomintang newspapers.

The Kuomintang has been protecting the Mikado's collaborators and is in turn supported nominally by them. One opens the paper which also propagated the Kempeitai's golden rule not long ago and sees today that a certain Fukienese who was known as a Formosan in the days of Co-prosperity, publicly announced that suppression of communism is identical to the reconstruction of the nation. In short this ex-collaborator, through whose information hundreds of pro-allied elements suffered and died, is now the Kuomintang's most "reliable" supporter.

Another bigshot nicknamed among Americans and Englishmen as Hongkong Knight was big in the Japanese days and is bigger today because he has more money and power. His organ paper prints in its Double-Ten issue two advertisements by men who made big money in the Mikado time and purchased two houses, expecting that the Anglo-American aggressors would never come back. In these advertisements these rich men called for the appearance of the "sellers" of these houses to confirm the sales. Otherwise they would be prosecuted for being loyal and poor during the Kempeitai period.

Isogai's former interpreters are said to have "bought" dozens of houses by taking from the Hongkong and Shanghai Bank safe title-deeds and bills of assignment and arresting the owners until signatures were obtained. Now Hongkong Knight and his gang are offering their services to defend the validity of these occupation deals.

This is Hongkong's Double-Ten. Among the Kuomintang's intelligent youth you sometimes hear the whispering: "We are doomed. The corrupt, inefficient leaders with their collaborator friends will ruin the party. What can we do?"

FU BIH-AN.

Kowloon,
October 12, 1948

Golden Rule

To The Editor:

As I saw the moon that hung upon the sky last night, I could not help weeping.

I remember that several months ago, my brother, when I left home, took my hand and, weeping mournfully, said: "Oh, my dear younger brother! You must be careful on the road. When you go to Nanking where we have neither friends nor relatives, it is hardly avoidable to suffer the pangs of hunger. Bear in mind that you should not join the Youth Army even if they make you their commander among the soldiers."

My home was occupied by Communists and my brothers, sisters, and even the tombs of my ancestors are still in "Liberated Areas."

The Educational Ministry opened a temporary Middle School for Honanese. How glorious we felt!

Now we, the 'refugee students,' have moved to Chui-Yung. Though we are being taught temporarily, we have neither books, paper, nor blackboard. Autumn comes. It is colder and colder. Many rich people have warm clothes of wool, but we refugee students still wear summer clothes.

Last week, the supervisor of the Educational Ministry came to our school. He was very angry when he saw the slogans we wrote for his coming:

"We have neither books nor clothes. We hope our saviour will help us."

"The man who helps us is our leader."

"From sickness we hope the Educational Bureau will save us."

"Lend a hand, Education Bureau Supervisor, or we will die."

He gave us an address with a severe air, saying, "I do not want these slogans. I do not want to be your leader. You suppose the Bureau does not take care of you. We have prepared everything for you. You will get it in the near future."

Several days have passed. We still have no books, no clothes. Oh! I know that most officials of our government like to say, "in the near future." It is the golden rule of civilized China. Thereby many officials represent their mercy in words; in action they have only cold blood. This bad spirit makes China poor, weak.

MA CHIN-YUNG.

Chui-yung, Kiangsu
October 7, 1948

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Vol. III Shanghai, Saturday, October 23, 1948 No. 8

Chinese Investments Abroad

TWO small items appearing in the local press recently provide interesting sidelights upon economic conditions in this country. One report quoted a Chinese businessman (presumably a Chinese-American) as saying that since VJ Day, Overseas Chinese in America had invested approximately US$500,000,000 in China and that virtually all of the money had been lost because of the unfavorable economic conditions here. The other story described the alleged difficulties faced by a Central Government official sent to Hongkong to "register" the overseas investments of Chinese residents in the British Crown Colony, estimated to total between HK$200,000,000 and HK$250,-000,000.

The first item, concerning the disappointment of the Chinese living in America over the bankruptcy of their postwar business ventures in the land of their ancestors, was a sad tale of failure. According to the unnamed businessman, Overseas Chinese in America have been eager and willing to invest heavily in China for reconstruction but so far few, if any, have received any returns from their capital already invested and assume that such investments must be considered financial failures.

However, having been "burned" in the past, these businessmen are reluctant to make any further investment until conditions in China improve and until better and more systematic business firms are established here.

While such a story must be taken with the proverbial grain of salt since it is logical to assume that many of the investors were just as interested in the prospect for good profits as they were in helping the land of their origin and therefore should have been willing to assume normal commercial risks, the fact that a large, wealthy and potentially very helpful group of sympathetic people is in the process of being alienated is regretable.

As we have upon occasion pointed out before, China's sons abroad are a valuable asset which the country should cultivate. On a dollars and cents basis their value has already been proved through their regular and substantial remittances of foreign exchange to relatives living in China. Also, they form a potential group of investors in modern business and industrial undertakings and, from among their ranks, could provide many well trained engineers and other technical experts whose aid should be doubly valuable because they are naturally predisposed to be sympathetic to this country and more than likely would labor more willingly and conscientiously than any other "imported" experts.

The fact that a spokesman for Overseas Chinese in America has publicly expressed his bitterness over the wastage and loss of so much money during the past three years is indeed bad news.

* * *

THE second story, detailing the failure of the alleged Central Government campaign to secure registration of foreign holdings of Chinese living in Hongkong is another discouraging sign of the times. According to local press accounts, Nanking's representative ran into difficulties because Chinese companies registered in Hongkong enjoy British protection and consider themselves therefore not compelled to register their assets with the Chinese Government.

This, of course, is a legal problem, the pros and cons of which we are not concerned with here. The important fact is that the directors of these companies are so disposed that they apparently intend to take full advantage of a legal position which will enable them to escape registration with the Central Government. Obviously this is a reflection to some extent upon the Government of China. Some of the reluctance may be explained by the fact that much of the money at present resting in Hongkong is refugee capital from China which has fled there during the past three years. Naturally, the owners of this capital do not wish to let the Government get anywhere near their foreign assets. On the other hand there is probably considerable capital in Hongkong belonging to bona-fide residents of the Crown Colony who live and do business there regularly. They would feel that the Central Government was overstepping its authority were it to attempt to control their assets abroad.

However, the main point is that this capital would not be in Hongkong were it not for the chaotic economic conditions in this country. In normal times, especially if China were today on the road to modernization and reconstruction, this capital would be gainfully employed in China, rather than hiding in Hongkong.

While these two news stories might well bear investigation in order to ascertain all the facts lying behind them, the important thing is that they highlight the loss of an opportunity. Overseas Chinese in America reportedly have invested about US$500,000,000 in China since VJ Day and have lost most of it because of conditions beyond their control. Chinese citizens are today squatting on from HK$200,000,000 to HK$250,-000,000 in assets held in British-owned Hongkong

because they feel that the money can neither be used to advantage nor be kept safe in China.

The Central Government may pass regulations until it is blue in the face, but Overseas Chinese money will stay away from China and Chinese capital already in China will seek ingenious and often illegal means of escape to Hongkong or other havens so long as present conditions prevail. The Government may plead civil war as an excuse, which certainly is a good one, but the fact still remains that Nanking could make the investment field here a lot more attractive if it really desired to do so.

* * *

Taiwan Travel Restrictions

THE Shanghai Municipal Government has received a "joint telegraphic circular" from the Taiwan Provincial Government and the Taiwan Garrison Headquarters announcing the imposition of travel restrictions in China's island province. Visitors, it is said, will not be admitted to Taiwan from other provinces of China unless they observe the "regulations" which apparently consist of a set of forms which must be properly filled out (in duplicate, of course, and with pictures attached) before each proposed visit.

Since the announcement of this new travel regulation as carried by the local press failed to mention foreigners, it is to be presumed that the regulations apply to all "visitors," Chinese and foreigners alike. If this were merely another edict aimed at limiting the freedom of movement of foreigners in China it would be easier to understand since it would be in keeping with Nanking's idea that foreigners residing or visiting in China should be segregated from the country and people as much as possible. However, in view of the fact that the travel restrictions to Taiwan apparently apply to Chinese as well, the matter takes on a somewhat different aspect.

One immediately is presented with the idea that the Central Government officials in Taiwan feel it necessary, or at least advisable, to restrict travel to the island from the mainland and are desirous of "screening" visitors from other parts of China. What conditions might cause the officials to feel thusly? Are the officials afraid of Communist agents? If the island is the economic, political and cultural paradise which the officials claim it to be, why should they worry about Communist agents? Are the officials concerned over the temper of the Taiwanese natives and afraid lest "outsiders" from the other provinces learn of this? That also seems unlikely, though, because there have been official denials from both Taichung and Nanking of any unrest among the natives. The only other possibility which we can think of is that the officials are worried about the quality of their administration and wish to conceal this matter from the public eye. Again, however, that hardly seems likely, since the Central Government has organs such as the Control Yuan which keep a check on officials' activities and would be sure to spot any misgovernment.

Clearly, the reasoning behind the regulations is baffling. We feel certain that the Taiwan Provincial Government and the Taiwan Garrison Headquarters will pardon our idle speculation, especially since any restriction of people's movements—particularly in a country governed by a democratic constitution—immediately tends to create suspicion in the public mind. For this reason we think that the authorities concerned should explain their order. The people are entitled to know the reasons behind any Government move, and the Taiwan authorities will benefit from increased public confidence which will undoubtedly be the result of a little frankness on the part of the authorities themselves.

* * *

We're Always Surprised

ABOUT the time we think we have things figured out, something comes along which brings home to us the fact that we really know very little about China. Latest example of this was contained in a news story last week which told of the conviction of a pao chia official on a charge of false accusation.

This official, Wang Kuo-chong, was sentenced to 15 years' imprisonment when it was discovered that he had written an anonymous letter to the City Government accusing two of his superiors of corruption and then succeeded in blackmailing both of them when an investigating officer came to question them.

This seems a bit confusing until one unravels the activities of Wang and puts them in their proper order. First, Wang wrote a letter to the City Government's Civil Affairs Bureau, stating that Sun Su-an and Chow Chi-yuan, pao chia chiefs in Wang's district and his superiors, were guilty of corruption. When the CAB investigator arrived and began to question Sun and Chow, Wang told the two suspects that the investigator happened to be a close friend of his and that he could settle the matter for CNC$60,000,000.

Presumably, the whole scheme came to light when it was found that Sun and Chow were not guilty of corruption, that Wang was the writer of the anonymous letter and that Wang was not an intimate friend of the investigator. However, since Wang was sentenced on a charge of extortion, rather than "attempted" extortion, it would seem that he in fact did succeed in getting his two bosses to give him CNC$60,000,000.

The strangest thing about this whole case is the fact that Wang apparently felt certain that he could get away with such a scheme. We can scarcely imagine how a normal adult individual, let alone a superior man of the official class, could think that such a hare-brained plan possibly could be successful. It had entirely too many holes in it, discovery of any one of which would be fatal to Wang. The second cause for wonderment is how he managed to secure sixty million dollars from his bosses when they knew full well that they were innocent. Why in the world did they pay if they were not guilty?

Actually, this case is somewhat of a reflection upon the local pao chia officials, or at least

upon those involved. One of them tried to get the other two into trouble by false accusation and then tried to make money out of this trouble which he had caused. Obviously there is something wrong with the perpetrator, Wang, but perhaps there is also something wrong with the two innocent officials, Sun and Chow, since they apparently were willing—at least at one point—to enter into a conspiracy with Wang to "settle" a matter which actually needed no settling at all since they were innocent.

As we said, we never cease to be surprised.

* * *

Disciplining Soldiers

DESPITE the fact that Shanghai has experienced more than three post-war years of mistreatment at the hands of unruly soldiery, during which time the authorities have promised to discipline the troops, the situation shows but slight improvement.

Periodic fights between soldiers and bus or street car personnel resulting from friction over free rides still occur. Soldiers still storm theaters, demanding, and usually receiving, free tickets although the seats they occupy may already have been sold to regular patrons. Recently it has been reported that soldiers are commandeering pedicabs and forcing them to haul army cargo from one dock or storage place to another without pay. Just this week one of the greatest outrages perpetrated by soldiers in this city was settled when the Ministry of National Defence passed sentence on a group of soldiers who hurled hand grenades into two local theaters. The soldiers, members of the Youth Army, were angered because the theaters were full and therefore they could not get free seats as desired. They returned to the two theaters later and hurled grenades into the midst of the audience, seriously wounding several civilians. The leader of the soldiers, originally sentenced to death by an army court martial, was saved from execution by the Ministry of National Defence which reviewed the case and commuted the sentence to 12 years.

We are well aware of the problem confronting the authorities. The soldiers, usually raw peasants conscripted against their will, are underpaid and underfed and are in the habit of living off the country. This system of recruiting and maintaining armies is nearly as old as China and is difficult to change, especially when the Government is so short of funds.

However, unless the Government is prepared to reorganize this system the consequences may well be disastrous. Conscripts quartered in the rural areas behave more or less as they do in Shanghai, if not in a more offensive manner. Troop movements are viewed by the peasantry in about the same light as a plague of locusts or a flood. All are disasters which apparently have to be borne every so often and against which there seems to be no effective remedy—at least there has been none in the past.

When these soldiers arrive in Shanghai, or some other metropolitan area, however, the situation is different in that the city dwellers, being somewhat more cosmopolitan than their rural cousins, put up a stronger resistance to the preying, undisciplined troops. This results in periodic riots between the soldiers and whatever section of the local populace they happen to tread upon. Sometimes it is the street car and bus conductors who view with alarm the huge crowds of soldiers which swarm aboard, kicking and shoving paying passengers out of the way. Sometimes it is the theater operators who resist whole companies of troops who forcibly occupy theaters.

From a civilian point of view, these marauding soldiers are a plague which needs extermination. However, in all reasonableness, it is difficult to blame the troops individually. Obviously they have no money, probably having received none of their salary—insignificant as it may be—for weeks or months. Their reaction is simple and natural: They take what they feel strong enough to take.

We frankly do not see the answer. The Government is critically short of funds and is forced to raise its army by conscripting peasants, usually rounded up at gun point. Naturally the morale of these troops is extremely low, especially when they are neither fed nor paid regularly.

A PRE-GY VIEW

Los Angeles Times.

Once they become resigned to their life of hardship in the ranks, they organize themselves in groups to get as much out of the countryside as they can, foraging for food, entertainment, clothing, etc.

If the Government disciplines its troops more severely, they will become more disaffected and less inclined to obey orders. They can even become quite a danger since so many are armed. However, if the Government fails to control them and prevent them from foraging off the people, popular support for the Nanking regime will fall below what is an already dangerously low level. It would almost seem that Nanking is in the traditional position of being between the Devil and the Deep Blue Sea and can move in neither direction without almost equal risk. Already in the Civil War we have had instances where the local population, sick and tired of being the feeding grounds for a parasitical bunch of Nationalist troops, has refused cooperation with the Army when the Communists attacked. Stories are legion about how children of farmers who were mistreated by the Nationalist troops, spyed for the Reds or guided them over back roads for surprise attacks. The Nationalists should well realize the value of an enthusiastic peasantly since it was in large measure due to this very fact that the Kuomintang armies were able to sweep up from South China so spectacularly two decades ago.

We also have already seen the results of poor morale among the Nationalist troops which either refused to fight or fought very badly because they were not well enough treated. The quick fall of cities like Kaifeng and Chinchow, supposedly well defended, and garrisoned with troops numerically superior to the attacking forces, should give Nanking something to think about. Certainly, the fall of Tsinan, which admittedly resulted largely from the defection of one division which went over to the Reds at a crucial moment, should be cause for serious concern.

While we readily admit that the problem for Nanking is a major one which does not seem capable of easy solution, we can pass on one often suggested remedy: Reduce the number of troops to a size which the country is capable of supporting in such a fashion that all will be clothed, armed and fed properly and therefore will not be forced to forage off the countryside. Such a system obviously would have many advantages. It would remove the excuse for misbehavior of troops and would improve the people's attitude toward the troops, making them more likely to cooperate with the National Government authorities. Further, it seems likely that a smaller, better fed and better equipped army would be worth a great deal more on the battle field than the present one.

Any such reduction of armed strength, however, is bound to tread upon the toes of vested military interests. The commanders who draw the food and salary allotments for the troops will not quietly give up their control of an army in exchange for a division. In addition to the straight monetary rewards, there is also the matter of prestige. Who will decide which generals shall remain generals and which shall be reduced to the rank of colonel or major?

The dual problem of disciplining its troops and at the same time of improving their condition so as to raise both military and civilian morale is one of the toughest confronting Nanking. Its solution will be difficult, but it cannot be unduely delayed.

25 Years Ago
In The Weekly Review

October 20, 1923.

Constitutional Rule

The Chinese Parliament on October 10 promulgated the constitution of China, the ceremony attracting only minor attention in the Chinese or foreign press. The lack of national enthusiasm, which people usually associate with such epoch-making events, is due to the general feeling that the possession of a constitution or basic law of the land will make little difference to the militarists who are still in the saddle and who will continue to rule, or rather misrule, the land, constitution or no constitution.....

* * *

Second-rate Japan

Japan, and especially official and commercial Japan, is still dazed by the shock of the earthquake September 1, which laid Yokohama flat, while the fires that followed put five-eighths of Tokyo in ruins and both earthquake and fire destroyed the great naval base at Yokosuka.....This, in the opinion of many of her best leaders, has reduced her to the level of a second-rate power, both politically and commercially.....They all know that Japan sooner or later must admit that she must abandon her policy of imperialism and devote her energies for the next decade, and perhaps for the next generation, to the reconstitution of her own tight little island. Her power and prestige on the mainland of Asia are gone.

10 Years Ago In
The China Weekly Review

October 22, 1938.

"Agony" Column

The *North China Daily News*, senior British newspaper in Shanghai and popularly known as the "official organ," publishes a personal or "agony" column in its classified advertisements. The column is unique among newspapers of the world because it is frequently used, apparently, by persons interested only in assignations. It is remarkable that no public scandals or tragedies have resulted from advertisements appearing in the column, for many of the ads appear to have been placed in the paper with only the basest and lowest of motives in mind. Chief feature of the column are advertisements of foreign men seeking to "contact" attractive Chinese girls "for purposes of companionship." No other paper anywhere in the world would publish such advertisements, but they constitute the one and only diversion provided by an otherwise exceedingly dull newspaper.

* * *

US Rearms

That the question of expansion of American armament has become uppermost in American thoughts, as a direct result of recent developments in Asia and Europe, is evident from recent press reports cabled to this part of the world. A report through *Havas* from Washington on October 15 said that the US War Department intended to ask Congress to vote for a measure increasing the Army's air force to 4,000 planes, the hope being that the program could be completed by 1940.

STUDENTS IN RED CHINA

(The author of this article is a foreign observer who at present is still in the Liberated Area.—Editor)

DURING the last two years, hundreds of middle-school and college students have left their homes and studies in Nationalist areas to go to the areas controlled by the Communists. An extensive trip through North China gave me the opportunity of talking to many of these students, who were eager to talk about their former discontent, their reasons for leaving their families for the difficult journey, what they had expected to find and their present attitudes.

Most of them went to the Communist areas because of their outspoken opposition to the Government, the corruption and inefficiency of which they considered the basic cause for the poor showing that was made against the Japanese. Opposition to Government policies, expressed through the student movement in strikes and mass demonstrations, provoked brutal suppression, they said, with beatings, arrests and killings. Many told of seeing for the first time the miserable lot of the peasant on the long trip to western China, where they followed the schools to continue their education during the war; they had never before realized how much the peasant was at the mercy of corrupt officialdom. They saw brutal extortion and men driven away to the army like cattle, with ropes around their necks.

Even with this, the students said that they had continued to hope for a better government after the war was won, and so just after VJ-day, they made the return journey eastward. But again they were disappointed. Although numbers of students began to go to the Communist areas during this period, the greater number left after the last glimmer of hope for a coalition government had died.

One Student's Story

One student's story is typical. After the Japanese had overwhelmed his home in North China, leaving his family impoverished and scattered, he headed for the west. On the way, he was imprisoned for three months as a suspected spy. Freed, he continued, and arrived at last at Chungking, where he recommenced his studies. He told how food allocated for the students had been misappropriated by the officials and how protests were met with brutality. Such injustices drove him and many others to read socialistic literature and to strive, through the Student Movement, for better treatment.

After the war's end, he went to Peiping. He had heard nothing of his family. He did not have the money to return to college, and jobs were scarce. He did odd writing assignments and any other work he could find. But at last he was reduced to cadging meals from friends, and lived with some friends in like straits in an unfurnished room, unheated except when one of the group managed to get a little coal. Finally, utterly discouraged, he set out for the Communist areas.

Others, far from starvation, living with their families in comfortable circumstances, said that they left because of the conviction that China could not solve her problems unless basic economic and political reforms were instituted. From their friends, from magazines and books, they learned of the different society evolving in the Communist areas. They decided that they could find greater use for their abilities there, and so left their easy lives for the dangerous journey across the lines.

Change Comes Slowly

From their stories, it appears that a great many of these young people had no clear idea of actual conditions in the Communist areas. One spokesman of a student group confessed this. "We expected to find collective farms, great factories, machinery everywhere." He looked up the narrow, muddy street of the small peasant village where his college was located. "But we have learned that change must begin with the peasant, and will come slowly. What is most important, we are learning to understand and serve the people."

He spoke confidently, and proudly. All of these young people were proud to be living as simply as the peasant. They had two meals a day, of millet or wheat, with vegetables, sometimes dates, and meat at rare intervals. The diet was not sumptuous, yet no one looked underfed. There was apparently plenty for all. They were all adequately clothed at Government expense. Everyone, including officials, they explained, lives on the same scale; there is no favoritism and no small elect class living on the fat of the land. There didn't seem to be much fat, but everyone had enough.

Living conditions in the schools are crowded and dark. The colleges had originally been located in fair-sized towns, but when Nationalist bombing raids became too frequent, the schools were moved to small villages in the mountains, or scattered on the plain. Students slept, ate and studied in small rooms, about 10 to a room. There was, of course, no electricity, no running water, no heat in winter. Study at night was almost impossible, as the only illumination was provided by smoky vegetable-oil lamps of ancient pattern—picturesque but giving very little light.

Classrooms Crowded

Classrooms were crowded, with little light coming in through the paper-covered windows. When the weather was fine, classes were held outdoors. One of these *al fresco* classes made a fine scene. Ten or a dozen students sat in a circle on straw that had been spread out in a farmer's yard. Farming implements leaned against the mud wall of a shed. In a corner, a donkey waved somnolent ears, oblivious to the spirited debate that was going on under his nose.

Students entering the area were received by the authorities in the first town on their route, who furnished them with necessities they lacked (practically all traveled lightly, with but the clothes on their backs and a book or two) and sent them to a village where all incoming students were first gathered together. This village was one of a group that contained the several colleges of one university. Most of the students entering in the general area remained at that university, although a few were sent on to another, 200 miles away, in the mountains.

Each student was given an entrance examination, to determine his educational level and his main interest. The students were then divided into groups of 10 each; they were assigned to one particular group, rather than being allowed to choose which one they wished to join, as it was thought

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better to have each group as heterogeneous as possible. Thus, a group might contain young people of peasant, landlord, business and official families, of varying degree of formal schooling.

"Democratic" System

At first, it was thought that this system was more "democratic" and that students would progress faster by a "mutual learning" process. The peasant-reared could teach their more intellectual companions practical methods of work in the daily two-hour productive work period. The latter would in turn teach the others the more formal, "book-learning" that they lacked.

This practice, it has been discovered, has not worked as well as had been hoped. At present, entering students are graded into college-level, middle-school level, and those with little formal education.

These three grades are taught according to their scholastic attainments.

The "mutual-aid group" is the real unit, rather than the individual. The group lives, eats, sleeps and studies together. Over the groups is the Student Association, which exercises a great deal of control in everyday administrative affairs. Some time ago, for instance, student clamor for writing and music courses was a potent factor in the establishment of the Literature and Arts College at one of the universities.

Since technicians are greatly needed everywhere in the Communist areas, in some cases, where an entering student of medicine or engineering has progressed quite far in his studies, he is assigned to a job rather than allowed to enter college. Technical courses suffer from a lack of books, laboratory equipment, and highly qualified teachers. One engineering school, for example, lacked a laboratory of any kind; its students acquired their practical training in part-time work at a neighboring factory or mine.

Courses are quite short. All students are given a general three-month's orientation course. After this, they start their specialized courses in art, medicine, engineering, agriculture or economics, which last anywhere from a few months to two years. If the general interest requires it, normal studies may be interrupted. This happened last spring, when all the students intensively studied the laws and other material relating to land reform, after which they went into the field to take an active part in carrying it out. When their jobs were finished, they returned to school.

Students Confident Of Future

The students play an important role in society. They feel their greatest need is to understand the people in order to serve them. They work with the village peasants in the fields and help with the daily chores. At festival times, they put on theatricals with peasant groups. They say that they are training for work urgently needed by the society in which they have chosen to live. They are confident of the future and of their own usefulness. One hears everywhere the two mottoes, "Serve the people" and "Put theory into practice." Little patience is had with theory, unless it can be immediately made concrete with the materials at hand—perhaps to the detriment of scholarship and long-range research projects, the latter as yet being only in the planning stage.

The most vivid impression this large group of students gives is one of great vigor of spirit. They are enthusiastic about their work and more than content with their choice. They are convinced that they are building for the future of a New China, which they are confident will be a vastly better place for all than the old one, and in which they themselves will fill important places.

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WHO ARE THE ALIENS IN MALAYA?

Andrew Roth

Singapore

THE word "alien" is one of the most overworked words in the vocabulary of Britons writing and speaking on Malaya.

The standard official line at present is that Malaya belongs to the Malays and that any genuine nationalist movement can only come out of a Malaya awakening. A rapid transition to self-government, it is claimed, would mean that the more aggressive and advanced Chinese would assume leadership.

This is immoral, it is claimed, because the Chinese are "aliens" in that their loyalty is to China, they continue to speak the "alien" Chinese language, keep sending money back to China and hope some day to return there. The same, it is said, is true of the Indians.

"Alien Loyalty"

These accusations of an "alien loyalty" are made by the typical British official whose loyalty is to Britain, who continues, with few exceptions, to speak English and who —if he can afford it—sends food parcels and money to Britain. He not only intends to retire in Britain but frequently sends his wife there to give birth. Furthermore, the protestations of interest in the Malays gives rise to the suspicion among cynics that it is not that the British official *likes* the easygoing Malays *more* but that he *fears* them *less* than the industrious and competitive Chinese. But the question of "alien" and "indigenous" populations must nevertheless be examined.

This question is analyzed by one expert as follows: "The Malays, Chinese, Indians and Europeans, who constitute 99 percent of the Malayan population today, are immigrants of recent centuries." He further states: "Though certain coastal localities of the Malaya peninsula have a trade record of over a thousand years, and the main rivers and some of the easily accessible rice areas had been thinly peopled by Malays from Sumatra and elsewhere for centuries, the mainland of the peninsula was scarcely known to the outer world till the late 19th century. It is a fact that until the last few hundred years the interior of the Malaya peninsula was scarcely more than the home of primitive forest peoples."

This is not the voice of Radio Moscow, but the words of G.S. Rawlings, senior Malayan Civil Service officer, contained in the pamphlet "Malaya" published by Oxford University Press.

The fact is that not only the Chinese and Indians, but most Malays are not indigenous to Malaya! When the rise of British influence on the peninsula began around 1800 there were probably some 150,000 Malays; a few thousand aboriginals, some thousands of Chinese and a scattering of Eurasians, Dutch, Portuguese and Indians—the remnants of previous colonizing attempts. Around 1870, it was estimated that there were some 300,000 Malays. It is clear that the present total of 2,250,000 Malays in the Malayan Federation and Singapore is not so much a product of natural increase as of easily absorbed migration from Sumatra and other Indonesian islands.

Population Increase

The increase of Malaya's population by almost 40 times in the last 150 years indicates that Malaya is in the same category as America or Canada or Australia—that is, a country created mostly by recent immigration. There is no doubt that the Malays have the chief *historical* right to Malaya. But it is also true, as Dr. Victor Purcell has written in his *Malaya: Outline of a Colony*, that "without the Chinese there would be no modern Malaya; it would be still almost entirely virgin jungle with a small population up the rivers and along the coast." The same is true, to a lesser extent, of the Indians. Britons, too, have claims to special consideration because it is British enterprise, law and order and investment that is largely responsible for modern Malay.

Many neutral observers feel it would be more fair to divide Malayans into the "Malaya born" and the "foreign born," because a considerable difference exists in their attitudes and loyalties. Upwards of a third of those of Chinese origin are locally born and a fifth of the Indians.

It is also believed to be more fair to divide those who are foreign-born into the "domiciled"—i.e. those who want to make Malaya their permanent home and would, if given the proper opportunity, become citizens—and the transients.

It is worthy of note that the British officials in Malaya who deal with politics—and are therefore, likely to defend the existing Anglo-Malay alliance in Malaya—are much more inclined to emphasize the transient character of the Chinese and Indians than those who deal with labor or social affairs. The Labor Commissioner in Kuala Lumpur emphasized, in a recent interview, that he considered the Chinese and Indian laborers now in the country to be a permanent labor force. He pointed out that while a trickle might go back to China and India for visits, or to stay permanently, the great bulk are rooted here because their homes and children are here and economic conditions are better.

More Intermarriage

Similarly, the Social Welfare chief declared that while the formation of a national community was in a "transitory stage" the Chinese and Indians here cannot be considered transient. He pointed out that Chinese and Indian money remittances tend to drop off. Moreover, he said, in ordinary times there are virtually no Sino-Malay clashes and there is more intermarriage here than elsewhere in the East.

The degree of intermarriage locally is indicated in the recently-published figures of the Singapore Registrar. In the 18 months ending July 1948, almost 10 percent of the 1613 marriages registered in Singapore were interracial. Six percent of the Chinese married interracially, mostly to Europeans and Eurasians. Unfortunately the figures are incomplete because relatively few Indian and Malay marriages are registered formally. Furthermore, an increasingly large portion of the population speaks a simplified "bazaar Malay" as a type of *lingua franca*. Also, the division between the type of jobs each community will do is breaking down. For example, increasing numbers of Malays are now working for wages,

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with growing numbers becoming rubber-tappers, a trade they hitherto have shunned.

Despite these indications of the growing integration of Malaya's three principal Asian communities, Malaya is still a "nation in formation" rather than a "nation in being", neutral experts agree. And as a result it is not possible for Malaya to attract the loyalty of its residents in the same manner as a fully-fused nation with a long tradition.

But it has been usual to exaggerate the significance of "dual loyalties." For example, the people of Chinese origin here have been accused of "fighting the Chinese civil war on Malayan soil" and whenever a member of the local Kuomintang is killed by a Communist guerrilla, that fact is played up. What is overlooked is that the basic issue of the Communist-Kuomintang conflict, i.e. the conflict between left and right, is also frequently applicable here. Investigation shows that frequently a Chinese is killed not because he is a member of the Kuomintang but because he is a labor contractor or the manager of a rubber estate or someone else whom the Communists think is a focus of anti-Communist activity within the community.

Accuse Chinese

Even before the war, local people of Chinese origin were accused of transferring to Malayan soil the Chinese antipathy for the Japanese. Still earlier they were accused of transporting here the anti-British feeling that characterized the Chinese revolution of 1925-1927. Similar accusations have been made against the Indians for sympathizing with the growth of the Indian National Congress. Recently, Malays who have shown too openly their sympathy with the Indonesian Republic have been accused of being "Indonesians."

It seems strange that British officials should not consider it natural that people coming from countries with such strong cultures as China and India should be interested in the national crises through which these countries are passing. Britons usually do not think it strange that the English-speaking section of Canada should be more sympathetic to England's needs than the French-speaking part.

In the United States we did not think it strange that those of Anglo-Saxon descent were more sensitive to Britain's plight during the Battle of Britain than, say, those of Czechoslovak descent whose heart-strings were more likely to be plucked by the Munich crisis of 1938 or the Communist putsch of 1948.

It is particularly noteworthy that many Britons in Malaya think it quite natural that Malaya's tin and rubber should—without any reference to the people of Malaya—contribute a third of Britain's dollar credits but somehow feel it reprehensible that a Chinese in Malaya should want to send money to an aged parent or be interested in whether China is torn apart in a civil war.

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NO CHANCE FOR WALLACE

Franklin Wallick

THERE is no more controversial figure in American politics today than Henry Wallace. His candidacy for president on the Progressive Party ticket has campaign dopesters constantly revising their predictions about the crucial election in November. Wallace has been vehemently denounced by both conservatives and liberals, and on the eve of his nomination as the Progressive Party candidate he resigned from the *New Republic* at the same time that the liberal publisher of that magazine, Michael Straight, joined the abortive attempt to nominate Supreme Court Justice William Douglas as Democratic presidential nominee.

The issue which has aroused alarm among both conservatives and liberals is the extent to which Wallace and his running mate Glen Taylor are victims of Communist maneuvers to discredit America's foreign policy in Europe; or are they simply earnest seekers after peace at any price that will not cost American lives in Berlin? One clue to this mystery can be found in the caution of organized labor in America which is withholding from the Wallace campaign.

Third Party Study

A systematic study of third parties prepared by Professor William Hesseltine of the University of Wisconsin was published this year. It showed that new parties, built around personalities, and without a platform discussed and adopted by local people's groups, blazed in the sky for a period, but soon died out ignominiously. This promises to happen to Wallace, and not because the labor unions and farm groups are conservative or imperialistic.

Trade unions in America have gradually overcome their reluctance to enter partisan politics. The older AFL with its Gompers' "reward your friends, punish your enemies" mentality, has been slowest to change. The CIO has entered political campaigns without apologies. The Railway Brotherhoods are somewhere in between in their attitude. Why should there be this consistent refusal, then, to support Wallace, the announced champion of the Common Man?

Within the hierarchy of the CIO always the most imaginative and aggressive of American unions, opposition to Wallace has become a test of loyalty of the CIO's national organization. There have been faint tremors of protest about this, but practically all unions in the CIO have willingly complied with this ruling by the national organization.

In the American Federation of Labor and independent unions there was never any question about Wallace. This is, not solely because of political timidity or conservatism, for AFL unions in New York supported the Liberal Party which broke away from the American Labor Party when Communists in New York captured the ALP. The AFL is sponsoring an expensive nation-wide campaign to defeat Congressmen who voted for the Taft-Hartley Act which restricted labor's rights. These Congressmen usually voted for reduced taxes for large corporations, sat on housing legislation, defeated price control, and supported high tariffs. If this political action makes the AFL conservative, we need to revise our political terminology.

Both critics and supporters of Wallace are astonished to learn that labor does not support the man who sketched the charter for the Century of the Common Man. In the most militant wings of the CIO, where forays against vested interests are a matter of principle, Wallace has gotten the cold shoulder.

It is generally assumed that the Wallace party represents a far-reaching brand of liberalism in America which is sinking down roots against the storm of reaction expected to break with the thunder clap of Republicanism in November. This is not the way a large sector of labor and liberals look at it. Labor and liberals have no monopoly on social idealism, and to some extent labor's spontaneity has been dulled by over-specialization of command. But no movement that hopes to capture the loyalty of ordinary people can ignore the consistent disavowal of so vast a network of democratic enthusiasm as the 12,000,000 organized workers in America.

Labor Opposition

Convincing evidence that labor opposition to Wallace does not arise from conservatism can be seen in the action of the million-strong union which dominates CIO thinking in many matters today—the Auto Workers Union headed by kinetic, socialistic Walter Reuther. After Reuther, a strong non-Communist leftist, won undisputed leadership in the auto worker's union, he brought into office a string of third party supporters who have long been envious of Canada's Cooperative Commonwealth Federation across the border from the auto workers' home in Detroit, Michigan. The national union convention specifically called for a third party after consultation between interested labor, consumer, cooperative, and farm groups following November's election.

Many socialists and near socialists high in American labor circles are today holding an awkward majority position in an election year with disappointing alternatives. They are bitterly suspicious of any political party which includes Communists or upholds the Soviet Union in Europe. These socialist liberals are licking wounds which the Communists have inflicted during inter-union battles throughout the last 15 years in labor unions. They are still frightened by what the high-powered American economy may do in the hands of a Republican administration or a scared Democrat. As November approaches, it is clear that the political initiative on the Left has been shrewdly stolen from the Socialists by the men who convinced Henry Wallace he should run for president.

Not Communists

Who are behind Wallace? Are the Communists running the show? The answers to these questions must be deduced from admittedly flimsy evidence. Men like Rexford Tugwell, chairman of the Wallace Party platform committee, are not Communists, but they have been out-maneuvered on important issues which the Ameri-

MONSIEUR VERDOUX

This pictorial comment on the American political scene places President Truman in the role Charlie Chaplin recently portrayed on the screen, that of Monsieur Verdoux who made a profession of destroying his wives. In the case of Truman, it was the most aggressive of ex-President Roosevelt's New Deal aides whom he got rid of.

can Communists insist upon.

The emotional appeal of the Wallace campaign harmonizes with the wide-spread American aversion to war. Wallace has been effectively blaming Truman for the war scare in America today. His constant cries for peace and his conviction that American diplomats could satisfy Russia's security needs by making just a few more concessions, is of far more consequence than his domestic program.

There is really little difference between the proposals for domestic reform in the Wallace platform and those in Truman's. Wallace still insists he is a plain ordinary "progressive capitalist," and that he wants no drastic institutional changes in the American economy. It is certain that any third party in which Walter Reuther, James Carey of the CIO, James Patton of the Farmers Union, and Jerry Voorhis of the Cooperative League of America had any part, would call for more far-reaching changes in the economic structure of the nation than Wallace proposes.

The liberal and labor opposition to Wallace see his campaign as a deliberate design to split the liberal vote in America, ushering in a dismal era of normalcy which will eventually drift down the road to depression and possible fascism. In large states where the liberal vote is articulate, the Wallace campaign will not only take votes away from Truman, but will threaten the defeat of important liberals whose only misconduct was their support of the Marshall Plan. Helen Gahagan Douglas, who single-handedly battled against rising prices in America and is a foremost liberal spokesman, is now confronted by a Progressive Party candidate trying to lure some of her voters away.

Deliberate Desertion

The liberal opposition to Wallace also see his campaign as a deliberate desertion of the "third force" fighting for survival in the trade unions and free political parties of Berlin, Vienna, Paris, and London. One threatened victim of the Wallace vote-pirating is the staunch friend of labor in Illinois, Democratic candidate for Senator Paul Douglas, who is running against the *Chicago Tribune* candidate Wayland Brooks. Douglas, in defending his campaign before the readers of the post-Wallace *New Republic*, hits upon the key to the liberal schism in America: "Just as the German Communists wanted Hitler to take power and crush the Center so that they could rule, so do the American Communists want to destroy the progressive Center and elect reactionaries because they believe the people will turn to them."

If an orderly advance toward human rights succeeds, the Communists in America will be washed up politically. Also if the perils of unemployment are averted, or if Western Europe achieves stability and prosperity. Communists are therefore willing to drive voters into conservative hands, for they feel the ultimate battle is between two brands of totalitarianism anyway.

One has to conclude that much of Wallace's motive in campaigning on such unfamiliar ground is spite against the rough treatment he got from the late President Truman. He never went to bat for labor, the downtrodden farmer, or Negroes when he had a chance to make it count as a member of the Roosevelt administration. Mrs. Roosevelt, Harold Ickes, and Robert La-Follette—who now oppose Wallace—fought those battles.

Since much of Wallace's unhappiness about the world revolves around America's foreign policy and he is willing to follow the Communist line on that, one must also conclude that despite his denials of ever having seen a Communist, he is willing to accept their support and even have them write some of his speeches for him.

Mrs. Roosevelt, who learned the hard way, comments on this in the *New Yorker* magazine: "Henry is too honest and too high-minded for his own good. Unfortunately the people backing him are very down to earth. I can't help wishing that he could have had some experience, as I have had, working with Communists. I've watched their tactics for a long time, and the job they're doing on him is being done to the queen's taste. But Henry can't believe that he's being used. He just doesn't have much political sense."

Attractive Candidate

There is no doubt that Wallace is an attractive candidate. With his ruffled shock of hair, his daring flaunts at segregation in the South, and crisp attacks on reaction, there is something about his campaign speeches that is refreshing and devoid of abstractions. Republican Warren with his handsome family is also an attractive candidate. Wallace's proposal for America to evacuate its sector of Berlin would condemn literally thousands of stalwart Socialists to Soviet concentration camps, as they were once led into Nazi prisons. This sort of blithe appeasement appeals to the disturbed mind of the middle-western Christian. It will not help the cause of world democracy and peace, regardless of how true many of the charges about a resurgence of German cartels under American sponsorship may be.

Of world affairs, Wallace essentially believes that the world must be divided between American and Soviet blocs. The "third force" is only a passing apparition which can be sacrificed to the expediency of a truce with the Soviets. In this, he accepts the view of both conservatives and Communists. But within the American labor movement, there is a conviction that American effort in Europe must bolster neither cartels nor police states. With the advancement of cooperatives, free unions, and democratic parliaments there will be a chance for peace in Europe. It will not depend on sordid deals by either bankers or commissars. Wallace's gay disregard for the suppression of human rights behind the Iron Curtain puts him squarely within the group that thinks peace can be bargained for by denying human liberty to free minds.

British Disavowal

British Socialists who are concerned about American-Soviet hostility, and thought Wallace a year ago to be a genuine mediator between the two powers, have quietly disavowed any and all interest in him now. They are just as suspicious of American capitalism as they are of Soviet suppression of freedom. They don't want to see a war to settle the issue. Neither do they have faith in the tactics of Henry Wallace. His convention statement that the crisis in Berlin could be prevented by the withdrawal of American troops would mean the immediate imprisonment of German Socialists, the ideological kinsmen of the British Labor Party.

Many American liberals, who built up the New Deal welfare agencies, helped to organize industrial unions in the steel, auto, shipbuilding, textile, and food industries, and have struggled against racial bigotry and for strengthened civil liberties, are clearly apart from Wallace. Such liberals are unhappy about the candidates. They wanted William Douglas to be nominated by the Democratic Party. In the ranks of the Americans for Democratic Action, representing these unhappy, wandering liberals, there is a stirring that may result in a bold-faced third party if liberal congressmen are submerged by the tides of reaction. Already, a fiery group called the Committee for Education on a New Party has gotten under way. It is headed by Professor John Dewey, well known for his views on progressive education and a life-time Socialist, and is co-chaired by A. Philip Randolph, a militant Negro trade-unionist who is leading the fight today in America against segregation in the conscript army.

A lot of upset American newspaper readers will still vote for Wallace and Taylor because they don't want war. It is doubtful if they will ever have a chance to do so a second time. Theodore Roosevelt, in 1912, and Philip LaFollette, in 1937, both committed the folly of offering themselves to the public without careful preparation of a platform, patronage, or organization. They suffered unnecessary defeats from which the liberal movement in America has never fully recovered. But there will always be a few die-hard, old-fashioned liberals who still believe freedom and security are more than a mad dream in a troubled world. They will start in with the task of again erecting "a new political force" which kow-tows neither to profits nor purges.

GY: After Two Months

J. R. Kaim

ON August 19, 1948, the Government promulgated its new currency, the Gold Yuan. As two months have elapsed since the birth of the new legal tender, it may well be time to check on its development.

During the past two months, the Government has kept the Stock Exchanges closed, hiked taxes, increased the price of gasoline and kerosene, jailed businessmen for illegal activities, established prices for old Government Bonds, floated new ones, offered shares of Government-operated companies and prepared a future rationing system. Furthermore, while the Government had stated that in order to recall all old currency notes in circulation on August 19 it would need GY200,000,000, it finally admitted toward the middle of October that more than GY900,000,000 had been put into circulation.

Sell At August 19 Prices

Next, the Government ordered merchants to sell at August 19 prices and as there apparently was in circulation about GY700,000,000 more than at that date, a buying rush was a natural consequence. It was even more to be expected since the Government did not permit price hikes although, as mentioned above, taxes were increased and some price advances allowed. While at present the shelves of many stores are almost empty and housewives must shop for most foodstuffs during the early morning hours, many essentials are not available at August 19 prices—if they are available at all. Restaurants are packed but are obviously not eager to serve more than half the number of portions they used to during "the good old days of inflation."

Moreover, the finance market was very erratic with tremendous amounts of idle funds waiting for investment. Floating of stocks of Government-owned enterprises was no success; evidently only a fraction of the total amount offered could be sold.

Finally, prices of Chinese products, including those which usually are considered outstanding export goods, have increased to such an extent that in several fields commercial exports have been impossible. Yet, local dealers apparently were willing to buy despite the high quotations. Storing the goods, they wait for better opportunities to ship them abroad. Government-operated concerns, on the other hand, appear to be still in a position to ship. Just how long they will be able to do so remains to be seen.

No one can claim that all this indicates a successful currency reform, and those who were optimistic when the new currency and the regulations connected with the promulgation were announced, now admit that the sceptics were not pessimistic but merely realistic. The sceptics did not doubt the Government's good intentions, nor did they doubt that a currency reform was needed and that the people would be glad to help. What they doubted was that the means applied would be effective in aiding the Government in its very difficult and delicate task.

For one reason or another, the Government, when promulgating the new currency, forgot that the chief function, rather the *only* function of money is as a medium of exchange. In order to exchange money for commodities and services one needs commodities and the more commodities one has on the market, the more the money can buy. In other words, the first thing needed is the supply of commodities. So far, the Government has done little to increase the supply of goods, domestic as well as imported; and money would buy little even if there were not GY700,000,000 more in circulation than before.

Need For Confidence

The fact that money can buy things is the root of another essential, namely, confidence in currency. Generally, no one cares how many billions or other valuables are backing a currency. Not one man in a million on New York's streets may know what is backing the US dollar and not more than one out of ten million Americans may care. But everyone in America knows how much or how little his dollar can buy, and it is on this that his confidence is based.

Confidence in the legal tender is not always a political matter. Throughout the world, people have shown confidence in currencies issued by governments they were not very much in favor of; for no matter what the government or its program, the man in the street values his money only so long as it permits him to buy both essentials and some pleasure.

However, when the Chinese Government failed to increase supplies of commodities while ordering the public to surrender foreign exchange and gold, people wondered what that money was going to be used for. Probably they would not have asked this question if everything had gone smoothly. However, no sooner had the Central Bank bought bullion and foreign exchange than the people wanted to buy something for their new bills and the buying rush started—not only on the commodity market but on the real estate market as well. Within a few days prices had advanced rapidly.

The main reason for all this was that people did not know what to do with their money. The Stock Exchanges were closed. They were not very eager to buy Government shares because the Government, in its usual way, failed to inform the public on the status of the companies concerned, their assets, their liabilities and profits. They were not eager to invest in bonds either, because the prices which the Government fixed for old bonds, in CN currency, were far below expectations. To invest in imports for which foreign exchange is needed, there was no opportunity. To establish new mills, on the other hand, was an unattractive proposition in view of the shortage of several raw materials and the general difficulties involved in importing machinery, tools, basic materials and many other paraphernalia.

Furthermore, when the Finance Minister declared in the United States, that in order to be victorious in its fight against the Communists the Government would need US$500,000,000's worth of loans per year, his statement made a considerable impression on the local market. The statement was made shortly after the promulgation of the new legal tender at a time when people were asking whether or not the Government would be in a position to cut its military expenses and by doing so balance the budget. No doubt, the statement was made at the wrong psychological moment.

Still Time Left

Yet, in spite of all those disappointments, it would be wrong to believe that the position of the Gold Yuan cannot be improved. There is still time left in which really to increase home production as well as imports, and by doing so to increase the buying possibilities of the new money. There is the possibility of using foreign exchange in the possession of the Government and, if prevailing regulations are altered, foreign exchange in the hands of individuals as well, for all kinds of goods except luxuries. In other words, despite the bad score made during the weeks following August 19, there is still hope of offering the people what they are longing for, namely, to exchange their money for goods and to produce new goods that can be sold at normal prices. The greater the supplies, the greater the chance that prices may decline, and if prices cannot be kept at their August 19 levels, they can at least be kept at their present unofficial levels. With so much money in circulation it is obvious that the first thing needed is an opportunity for investing idle funds.

Stabilized prices cannot be the first goal. The first goal is increased production and supplies so that stability of prices can be reached automatically and without police methods. If this can be done, and it can be, people will invest and will be willing to keep the money that cannot be invested immediately.

Who's Who in China

Ling Hung-hsun, railway engineer and Government official; was born in Canton, 1894; graduated from Nanyang University (now Chiaotung University), Shanghai, 1915, with a B. Sc. degree in civil engineering; went to America, to study

Ling Hung-hsun

凌鴻勛字竹銘

structural engineering and obtain practical experience in American Bridge Co.; after return to China, he entered Government railway service as a bridge engineer of Peking-Mukden Railway and technical expert of Railway Department, Ministry of Communications, 1918-22; professor of structural engineering, dean and later president of Nanyang University, 1924-27; in the latter capacity, he inaugurated the industrial research laboratory from a fund granted by the American Boxer Indemnity Commission; director of Public Works Department of Wuchow Municipality, Kwangsi, 1927; director, construction department, Lunghai Railway, completing a section of 72km. from Lingpao to Tungkwan in western section of the line; director and chief engineer, Chuchow-Shaochow Section of Canton-Hankow Railway, 1932-36; upon outbreak of Sino-Japanese war, in 1937, he was ordered to build a railway in Kwangsi Province in order to form link by rail with Indo-China Railway, and in 1939 a section of 173 Km. between Kweiling and Liuchow was completed; director and chief engineer, Tienshui-Chengtu Railway, completing the location survey of the 755/Km line in 1941; director and chief engineer, Paoki-Tienshui Railway, a 176-Km. extension of Lunghai Railway with 129 tunnels completed in 1944; appoinetd Administrative Vice-Minister, Ministry of Communications and concurrently, Director of the Board, Yunnan Railway, Chairman of the Board, Chuan-Chien (Szechuan-Kweichow) Railway; author of: Municipal Engineering and Railway Engineering; address: c/o Ministry of Communications, Nanking.

The Week's Business

DURING the week ending Wednesday, October 20, the money market which had been easy for many weeks, suddenly turned tight. People who, during the first half of the month, had been unwilling to pay more than four percent interest per month, suddenly agreed to 15 percent and even 20 percent per month. The following were considered the most important reasons:

First, believing that further price increases of domestic products will be realized in the near future, businessmen were interested in buying as much and as early as possible. While their own funds were invested in other goods or real estate, they were eager to borrow money in spite of high interest rates.

Secondly, because of a shortage of ready cash, local commercial banks instituted a restriction ban on withdrawals of deposits with customers obtaining a maximum of GY2,000 and in some cases even less.

Third, large amounts of Gold Yuan were carried to western provinces during the first half of October, such transfers being carried out in cash.

Fourth, withdrawals from banks increased drastically due to the rumor that a deposit "freeze" order was to be expected.

The belief or rather the conviction that prices will advance was not only based on economic considerations but also on reports to the effect that the price levels in the Shanghai-Nanking area are to undergo a revision. When that decision of the Government became known, the demand for goods increased sharply, while, of course, the supply continued to decline.

Under such conditions and with prices being "frozen" at unrealistic levels and "melting" again after a few weeks—during which most commodities were unavailable at official prices—businessmen and financiers again pleaded for freer markets instead of further and stricter regulations and restrictions. So far, they have achieved no result whatsoever.

Meanwhile, the vernacular press reported that because thousands of shops in Shanghai and elsewhere are practically sold out and shopkeepers are in no position to refill their empty shelves, unemployment is to be expected.

Storekeepers, of course, have tremendous amounts of ready cash at their disposal which, however, they may not have put into bank accounts. Indications are that either huge amounts of GY are kept in homes or they are remitted to western provinces where, according to reports published during the week under review, interest rates up to 80 percent per month were offered by dealers in domestic produce.

The situation was clearly illustrated by a report of the Shanghai Clearing House stating that during the week ending October 16, the average daily turnover was GY120,000,000 with the number of checks referring to such large amounts averaging only 80,000.

During the same week, the number of dishonored checks amounted to 7,038 representing GY6,319,694.01.

Also during the week under review, sources close to the Government made known that imports from Hongkong of raw materials will be permitted providing the cargoes are paid for before August 19. Estimates are that the value of such shipments in the Colony is near to HK$100,000,000. How many of these importers will be willing to ship such cargoes to Shanghai where apparently they are to be distributed not by the owners but by different groups and guilds, remains to be seen.

The most amazing commercial news item circulated during the week under review claimed that the authorities have decided to use sugar, cotton yarn, cloth and salt for bartering rice from rice merchants at ceiling prices. For conducting this barter trade, the Central Trust was reported to have obtained 30,000 bolts of cotton cloth.

A hardly less amazing announcement referred to prewar bank deposits. According to the Shanghai Banks' Association, the Ministry of Finance recently decided that prewar deposits will be converted into GY on the basis of CN$3,000,000 for one GY, no matter what the actual value of such deposits before the outbreak of the war.

On Wednesday, October 20, last day under review, economic authorities in Shanghai adopted drastic measures to tighten control on the silk markets. While quotations remained steady, business was almost nil.

Dealings in rolled tobacco, soaps, matches were extremely small in their respective exchanges, while prices were reported to have advanced in transactions from office to office.

In Shanghai, the markets for edible oil remained closed. No business in flour was reported. Cereal prices in producing districts were high and arrivals here accordingly were small.

Quotations

	Oct. 13 GY	Oct. 20 GY
Wheat Flour	—	—
Peanut Oil	—	—
White Rice, first	20.90	20.90
Raw Silk "C"	1,450.00	1,450.00
Jap. Rayon	1,133.30	1,333.50
Cot. Yn. (42)	—	—
Koo Pun Soap	27.50	27.50

The Review's English Lesson—LIV

The following idiomatic expressions are taken from the editorial section of the *China Weekly Review* for October 9.

page 133:

brewing (paragraph 1)—gathering or forming. "To brew" literally means to prepare beer or ale by boiling and fermentation.

with considerable heat (paragraph 1)—vehemently or with intense feeling.

twisting of words (paragraph 3)—contortion or turning of statements to give them some meaning other than what was intended.

did not spot it (paragraph 4)—colloquial expression meaning did not detect it, in the sense that something is marked, as by a spot, to draw attention.

is fanned (paragraph 9)—is stimulated, kept alive and active, as a fire is fanned to keep it burning.

page 134:

ducking (paragraph 2)—avoiding something like a blow by keeping one's head lowered.

sticking their oars into the controversy (paragraph 5)—taking part in the argument, in the sense that a man who puts his oars into the water takes a share in maneuvering a boat.

a very poor deal (paragraph 6)—unsatisfactory treatment. The expression comes from card games where one who has received poor cards is said to have gotten a bad deal.

page 135:

at an all time high (paragraph 2)—at the highest peak ever attained.

opinion currently voiced (paragraph 5) — view expressed at the moment.

buy herself out of hock (paragraph 5)—hock, as a verb or a noun, is a slang word meaning pledge or pawn, or something left with another person as security. To buy out of hock means to regain your pledge; hence the expression means recover something that has been lost or forfeited.

page 136:

queue up (paragraph 5)—form a line. "Queue" is a French word meaning a tail-like braid of hair worn at the back of the head.

Mr. Leo Bridge has written to ask about the rules governing the sequence of tenses in indirect quotations. He quoted the following two sentences from a copy of the *China Weekly Review* and wanted to know if the correct tenses were used.

"General Pai Chung-hsi **stated** at a press conference held in Hankow that the time **has come** to face the facts...."

"General Ho Ying-chin....**revealed** that the new type of warfare under consideration **will be** mobile rather than positional."

* * *

The general rule of tense sequence is that in a complex sentence containing an indirect quotation, when the verb of the principal clause is in the present, the future, the present perfect, or the future perfect tense, any tense that is needed to express the thought can be used in the subordinate clause. If the verb in the principal clause is in the *past* or *past perfect tense*, the *present tense* of the direct quotation is changed to the *past*, and the *present perfect* is changed to the *past perfect tense*. The principal exception to this last rule is that if the indirect quotation is the statement of a general or universal truth, the verb remains in the *present tense*, as in the sentence, "Our teacher said that the world is round." On other occasions, when the sequence usually required after a *past tense* is not used but the tense is retained as it would be if the clause were entirely independent, the speaker desires to show that a general or continuing truth is being expressed.

In the first sentence quoted by Mr. Bridge, therefore, the use of the *present tense* is correct if the speaker used the word "time" to mean not only that particular moment at which he spoke but a period continuing in the future. But **had come** could have been used. In the second sentence **would be** is preferable to **will be**.

* * *

Mr. T. S. of Shanghai writes to ask the meaning and use of the following expressions:

lend color—to brighten or heighten the effect of something so that it has greater appeal.

tight-fisted—colloquial term for being miserly or unwilling to give to others.

window-dressing—deliberate decoration of a given fact or situation in order to make it more acceptable to others. Refers back to the fancy displays of goods in store windows.

NEWS OF THE WEEK

Report Fall Of Strategic Chinchow; Lapham Urges More US Aid

MISFORTUNE doesn't come in single doses these days. Three weeks after the fall of Shantung's capital, the city of Tsinan, another strategic center situated in the corridor between Manchuria and North China, the railway town of Chinchow, was reported to have been captured by the Communists. According to military observers, the loss of Chinchow is more catastrophic than the fall of Tsinan. The reason is not hard to seek. For one thing, Communist occupation of Chinchow completed the isolation of the Nationalists who are still fighting in scattered pockets in Manchuria.

Military quarters in Peiping expressed the opinion that if the Communists can successfully hold Chinchow against Government efforts to recapture it, they have two main possibilities for the future. One course would be to regroup for a frontal assault in major strength against Mukden. However, this is not considered very likely in the near future for the reason that Chinchow's loss strikes a blow at keeping Mukden supplied with food by depriving the Government of a key spot in its airlifting operations. In addition, Mukden is garrisoned by an estimated 250,000 Government troops who are rated high in morale and ability. A gradual tightening of the ring around Mukden rather than a full-fledged military assault is generally predicted.

The second major course open to the Reds, it is pointed out, would be to attempt a sweep southward through the Shanhaikuan corridor, threatening the hard-pressed North China command under General Fu Tso-yi. Hulutao is expected to be the first target if such a campaign develops.

President Chiang Kai-shek visited Mukden three times during the past weeks and indications were that the President in view of the extreme gravity of the situation, was making momentous decisions.

* * *

Two Alternatives

COMPETENT military observers in Nanking pointed out that since the Nationalist garrisons in Mukden and Changchun cannot be expected to "sweat out" the Communist airtight blockade, President Chiang's choice is restricted to only two alternatives—the isolated army can be ordered to fight its way out into China proper or a counter-offensive can be launched with new reinforcements to re-open the Chinchow corridor.

The transfer to Mukden of General Tu Yu-ming, first Nationalist commander in Manchuria, who in 1946 led his troops from Shanhaikuan to the south bank of the Sungari River on the crest of an unbroken wave of victories against the Communists, was considered a strong indication that drastic Nationalist strategy is in the making. Tu is known as an aggressive general who does not believe in "sitting around" tactics.

Latest reports indicated that powerful Government reinforcements, breaking through the Communist blockade, had bypassed Tashan and Kaochiao in their northward march on Chinchow. A military spokesman for the Ministry of National Defense disclosed in Nanking on October 18, that the Government's diversionary drives, originally planned to relieve the Communist pressure on Chinchow, have now developed into an all-out counter-offensive to re-open the strategic Manchurian corridor. He also confirmed press reports that the Nationalists have recaptured the rail centers of Hsinlitun and Heishan, two major Communist supply bases, 80 and 70 miles northeast of Chinchow.

The situation in the Shantung port of Chefoo is "obscure." The Communists claimed they had captured the port. But the Government military spokesman said as late as October 18 that he had no news to confirm or deny the Communist claim. Pro-Government press dispatches, however, said the Government completed the evacuation of all Nationalist forces October 16 when the last detachment sailed for Hulutao.

In Shensi, the Nationalists claimed to have smashed Peng Teh-huai's large-scale offensive against Sian in a three-day "battle of annihilation," just concluded near Tungchow. Government troops engaged in mopping-up operations in east Shensi are said to have counted 12,000 Communist dead left on the battlefield, located about 60 miles northeast of the provincial capital. Pro-Government quarters estimate the Reds suffered more than 20,000 casualties before fleeing in disorder toward the northeast.

* * *

Economic Issues

PREMIER Wong Wen-hao, speaking at a closed session of the Legislative Yuan, stressed that the main concern of the Government at present was to restore economic normalcy and ensure the uninterrupted supply of essential commodities to meet public demands. He said, however, that the situation, even in its present state, was "still an improvement" over the conditions before the currency reform.

Analyzing the present "abnormal situation," as he called it, the Premier declared four factors were responsible. (1) Military reverses suffered by the Government forces which created adverse psychological effects on the people in general and undermined their confidence in the new currency. (2) The currency war waged by the Communists, who have been absorbing large amounts of old national currency and Gold Yuan and with them purchasing gold and silver at high prices wherever they could, with the result that fewer people were turning their bullion to the Central Bank. (3) Price ceilings on frozen levels of August 19 were "too low" to induce merchants to dispense with their stocks, with the situation further aggravated by the shopping spree in large cities. (4) Accumulation of idle funds since the currency reform which, in many cases, was being used for speculative purposes thus upsetting the equilibrium of the markets.

UP reported that Wong was booed and hissed by members of the Legislative Yuan in what was described as the bitterest attack thus far on the Premier. Some legislators shouted and swore in an unprecedented uproar when he made his report and demanded his resignation.

Finance Minister Wang Yun-wu told the Legislative Yuan that because of prevailing circumstances he would personally see to it that a "rational price readjustment" of certain commodities was undertaken by the Government. Breaking official silence on the confused economic situation Wang gave the legislators the assurance that certain commodity prices, frozen at the August 19 levels, would be raised and then frozen again at new levels. He announced the Government would take the necessary measures to boost industrial production in an effort to alleviate the prevailing shortage of commodities.

* * *

More Aid

THE conference held by President Truman with foreign aid administrator Paul G. Hoffman and Roger Lapham, head of the ECA program in China has aroused much speculation. The President was reported to be "pleased" by the results. The White House said the two officials gave the chief executive a "progress report" on the US$275,000,000 United States program for China's economic recovery. Lapham told the President the program was "helping" check the spread of Communism in the Orient. Hoffman, who recently gave a progress report on European recovery, referred all inquiries to Lapham: "This is China Day," he grinned.

Lapham told a press conference in

Washington that he believed future United States aid to China should be greater than the US$400,000,000 currently authorized and that the program should be planned on a long-range basis of at least four years. Summing up his opinions on China aid requirements, Lapham said: "My personal view is that we should plan on a longer range than the present one-year effort. We should go on the principle that it is desirable from our own standpoint, as well as from the Chinese and other Asiatic stand. I would like to see a more definite long-range plan for China as we have in Europe."

Asked whether he felt that other Oriental countries should be included in a kind of "Marshall Plan for Asia," he said, "It would make it much more difficult to include other Asiatic countries. We have to emphasize China more than the others since it is the keystone to the entire Far East. If it is estimated that it will take years for Europe to recover, it would probably not be any less for China. I have not made any recommendations yet but that's my way of thinking."

* * *

Clarification

COMMENTING on Lapham's visit to Washington, the *Shanghai Evening Post and Mercury* made some interesting revelations in its October 19 editorial. Several paragraphs are quoted below:

"Increasing difficulties and anomalies in the American position in China are indicated by able and veteran *New York Herald Tribune* correspondent A. T. Steele in a dispatch home from Peiping concerning Roger Lapham's mission to Washington. We ourselves feel that reliance on centralized control isn't working, that change is due.

"Mr. Steele says that Mr. Lapham is making 'positive proposals for accelerating American aid to hard-pressed North China.' He believes that recent conferences of American authorities at Peiping, Tientsin and Tsingtao have considered such questions as whether the United States should take a more active line in bolstering Nationalist resistance in North China and Manchuria, how bottlenecks can be broken on Chipese purchase and delivery of military goods purchased under Congress' US$125,000,000 grant, and how strong an attitude American forces should take with reference to the defence of Tsingtao if and when it comes under Communist attack?

"Mr. Steele thinks that Vice-Admiral Badger and his American naval units at Tsingtao are in 'an extremely anomalous spot" and that 'some clarification of the position there is long overdue. It is becoming increasingly difficult for the United States Navy to continue a neutral role in China's war while attempting to retain a base in Chinese territory. . .

"At present we are in a more or less dilly-daily half-and-half mealy-mouthed phase which gives neither satisfaction nor the concrete results we ought to get from a very considerable material outlay, plus the devoted work of the people who are capable of getting somewhere if allowed a new set of rules. . ."

* * *

Moscow Mission

IN a speech prepared for the annual American Legion convention, President Truman explained the reasons why he had planned to send Chief Justice Fred Vinson to Moscow to confer with Marshal Stalin, stressing that he was thinking of asking Stalin's cooperation in dispelling "the poisonous atmosphere of distrust" surrounding negotiations between the Western Powers and the Soviet Union. He said: "In recently considering the sending of a special emissary to Moscow my purpose was to ask Premier Stalin's cooperation in dispelling the present poisonous atmosphere of distrust which now surrounds the negotiations between the Western Powers and the Soviet Union. My emissary was to convey the seriousness and sincerity of the people of the United States in their desire for peace.

"This proposal," the President added, "had no relation to existing negotiations within the scope of the United Nations or the Council of Foreign Ministers. Far from cutting across these negotiations, the purpose of this mission was to improve the atmosphere in which they must take place and so help in producing fruitful and peaceful results. At this time I want to make it clear that I have not departed one step from my determination to utilize every opportunity to work for peace. Whenever an appropriate opportunity arises, I shall act to further the interests of peace within the framework of our relations with our Allies and the works of the United Nations. . ."

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US Magazine Roundup

US News & World Report

IN the August 6, 1948, issue of *US News & World Report* "Dr. Rhee's Top Problems As Korea Starts Republic" are discussed in a report from Seoul and Washington.

"US is winning the 'cold war' in Korea," the article declares. "South Koreans, under Americans, are better off than North Koreans, under Russia. American troops are preparing to leave the country to Koreans. Dr. Syngman Rhee, Korea's first President, is getting ready to take over. He is in a position to hold Korea against all Russian pressure short of war.

"Early in 1919, a band of Korean conspirators named Dr. Rhee as the 'provisional president' of a nonexistent Korean republic. But Japan held Korea. Not until the Japanese struck at Pearl Harbor did Dr. Rhee appear to have the ghost of a chance to return to Korea, much less run the country. Now, supported by his countrymen and helped by the US, the small, white-haired 'first citizen' of Korea is out to hold Korea against Russian pressure.

"The problem facing Dr. Rhee is how to unite Korea, now divided at the 38th parallel between the Americans in the South and the Russians in the North. Best part of the country, containing more than two thirds of the population and producing enough food to support itself, is in the South. There Dr. Rhee is the undisputed leader, named President by a vote of 180 to 16 in the freely elected National Assembly.

"First challenge of South Korea's ability to get along without the North came last May. The Russians pulled the switches on power lines from generating plants in the North, which supplied more than 50 percent of the current consumed by South Korea. Aim was to force Dr. Rhee's anti-Communists to give the Communists of the North half the seats in the parliament of a united Korea. But the scheme failed. Supported by Dr. Rhee and the 50 Korean parties that look to him for leadership, the American authorities expanded the capacity of South Korean hydroelectric plants and brought coal from Japan to make more electricity. Today, Dr. Rhee's part of Korea is producing 80 percent of the amount consumed before the Russian cut.

"Northern Korea is no longer getting food from South Korea in payment for electric current. Russia is having to send food to North Koreans. In addition, American electrical equipment which North Korea needs to expand its power plants is going instead to new plants in South Korea. Russia is having to revise her plans for using North Korean power in the expansion of Russian-controlled industries of Manchuria. Russia, thus, has sound economic reasons for seeking an agreement with South Korea. But Russia does not like Dr. Rhee."

Of South Korea's President, Dr. Rhee, the article says: "The man now leading Koreans is not an American puppet, though he made the United States his home and headquarters for about 25 years. A year ago Dr. Rhee was demanding that both American and Russian troops get out of Korea. Since then he has fought frequently with the American authorities, both civil and military, who sought to limit the powers of his personal political machine. But American officials who call him 'stubborn' are the first to say that he will make no deal that could give Russia the upper hand in Korea.

"The trouble that has Dr. Rhee blowing on his scarred fingertips, a habit he acquired when pro-Japanese torturers forced bamboo darts under his fingernails 50 years ago, is diplomatic, not economic. US aid, which totaled $210,000,000 in 1947 and will come to another $180,000,000 in the year ending July 1, 1949, is enough to make South Koreans much better off than North Korea. Dr. Rhee's personal problem is what to offer the Russians that will lead them to agree to a United Korea with Dr. Rhee still in the Presidency.

"The winners in Korea are turning out to be Dr. Rhee and the US, not Russia and her puppets," the article concludes. "US is in a position, thanks in large part to the prestige and political leadership of Dr. Rhee, to pull out of Korea as the victor on this battlefield of the 'cold war.' Korea may be divided for some time to come if the Russians choose. But a united Korea, if it comes, will be created on terms offered by Dr. Rhee and free Koreans. (The) showdown will come when the UN recognizes Dr. Rhee's Government and asks the Russians to pool their Northern zone with the South."

* * *

Saturday Evening Post

AN editorial in the September 18, 1948, issue of the *Saturday Evening Post* entitled "Chinese Students Seem Hardly 'Nonpolitical'" deals with the attitude of Chinese students in America toward their own Government, and expresses doubt that these students are showing much awareness of political realities. The editorial says:

"According to the *Christian Science Monitor*, a third of the 3000 Chinese students registered in this country are enrolled in the 'nonpolitical' Chinese Students' Christian Association, which held a conference at Medford, New Jersey, in June. The Monitor reports that, although politics is not the association's concern, 'the students expressed themselves without restraint on world and national affairs. They called for peace in China, a coalition government and agrarian reform, cessation of American military aid to the nationalists, opposition to American policies bolstering Japan's war potential, and disassociation of the Christian churches in China from repressive political forces.'

"For a 'nonpolitical' group, this is quite a program. 'Peace in China' means peace with the communists. 'Coalition' means taking the Reds to the government's bosom, as the Spartan boy did the fox. 'Agrarian reform' is the phase commonly used to describe the communist land program, which is being more and more savagely carried out behind China's iron curtain. 'The nationalists' whom America is urged not to aid are the recognized government of China, which supplies these students with their passports and their dollar exchange.

"It would be hard indeed to draft a set of resolutions which would better please the Chinese Communist Party and its masters in the Kremlin. Yet a careful inquiry produces the dependable information that there are few real communists among these students. So what is at the bottom of all this aid and comfort to their government's enemy? We are told that it is minority element's craving for 'peace at any price,' and that anyone who expresses a craving for China's continued freedom from such a fate as 'coalition' brought to Czechoslovakia is shouted down in student gatherings as a 'government agent.' In other words, China's students, like some others, are occasionally soft touches for phrases which conceal meaning."

* * *

In a previous issue of the same magazine the subject of American students is treated in a similar vien. Discussing the students representing the Youth for Wallace movement at the recent Progressive Party convention, the *Post* describes them as: ". . . the young college graduates who not only scream for the most reactionary form of tyranny in the history of mankind but actually do spying and other dirty work for advance agents of Soviet communism. Apparently there is something wrong with the teaching at the colleges and universities . . . Probably no communism is taught in colleges, but there is undoubtedly a terrifying amount of uncritical endorsement of almost any nonsense that can package itself as a 'program,' or label itself as 'socially conscious,' or identify itself with the inchoate passion for 'planning' which has addled the brains of so many people."

Chinese Magazine Roundup

Economic Weekly . . .

MAKING a general survey of the operation of the Government's price control policy since the promulgation of the currency reform program, the *Economic Weekly* of October 14, points out that the success or failure of this policy will eventually determine the fate of the currency reform and this is the reason why the Government has paid the greatest attention to holding the price defence line of August 19. However, the magazine adds that there are other important factors, such as the amount of note issue and the relationship between supply and demand of commodities, which also countribute toward determining the outcome of the currency reform.

"Price controls are actually a test of strength between political power and economic power. If commodity prices are to be stabilized by political means, the political power must be much stronger than the economic factors which continue to send prices up. In Shanghai, this test of strength has been particularly illustrative. On the one side, there are the economic police and the Special Criminal Tribunal. On the other side, there are the flight of capital and commodities, speculation and hoarding, wild buying spree. The line-up is clarified.

"But the results of the rough-and-tumble fight during the past month seem to indicate that the political power has had a rather difficult time resisting the blows of its adversary, who appears to be gradually gaining the upper hand. Of course this does not mean to say the economic power is formidable.

"Let's study the relative strength of the two sides. Price controls are the products of the modernization and the industrialization of any given country. Therefore, modernization and industrialization are the pre-requisites for enforcing price controls. The more ripe these pre-requisites are the better chances price countrols will have. Concentration of industrial plants, communication and transportation facilities, available accurate statistics and efficient political administration are all very important factors, without which it would be extremely difficult to carry out price controls. At present China's national economy is still in a regional state. In addition, the looseness of the political structure, the incompetency and corruption of government officials, the weakness of political control and the existence of the gentry add to the difficulties in successfully operating a nation-wide system of price controls.

"With the exception of a small number of leading cities, it is doubtful how much police force can do. As far as the objective conditions for price controls are concerned, they are far from adequate.

"Moreover, in enforcing price controls this time, the slogans of 'stabilizing commodity prices,' 'insuring the livelihood of the people,' and 'carrying out a social revolution' were put forth. But in actual practice, what the government has done so far has been in line with its policy of 'suppressing rebellions!' As a result, the attitude of the people toward price controls this time is quite different from what they had thought of during war-time price control regulations. Whenever any policy lacks popular support, the use of political means to implement the said policy is most likely to fail in the long run.

"Price controls are not purely political matters. Political means could make for success in price controls only when coordination is available in the economic field. For it is clear that no political power, however formidable it may be, can hope to solve the problem of scarcity of goods, much as it may be able to hold the price line.

"In the economic field, the basic issue is not the hoarding or flight of goods, but the amount of currency in circulation. According to official statistics, the total amount of Gold Yuan notes issue by September 30 was about GY1,000,000,000, representing an increase of 500 percent as compared with the note issue of CNC before the currency reform was introduced. Such a vast amount of idle capital, it need hardly be said, has applied a tremendous pressure upon the markets. Once hoarding was banned, a buying spree replaced it. The reasons were obvious. Idle capital must find some outlets. If it could not find any outlet in Shanghai, it would find its way to the various districts in the countryside to buy up raw materials and native goods for export. If inflation continues to grow, the price line built on political forces will eventually be broken through.

Moreover, there are many other factors such as the sharp decline in production, increased tax rates, credit inflation and abnormal psychological considerations, which also add to the difficulties in holding down commodity prices.

"It is therefore easy to see that in the present contest, political power is much inferior to economic power. In other words, it means that political measures alone cannot hope to make a success of price controls. Nor can they hope to stabilize commodity prices. The use of political methods can contribute to the success only when the above-mentioned factors are in existence."

* * *

University Review

The *University Review* of September 11, expresses the view that neither the Kuomintang nor the Chinese Communists can hope to beat their opponents and win the war and the Chinese people must depend upon themselves for bringing the civil war to an early end.

"....During the eight years of war against the Japs, the National Government enjoyed the support of the Chinese all over the country. However, any government will find it difficult to enlist the support of its people in a civil war, especially when it comes as a result of inefficiency and corruption. Such examples can easily be found in history.

"In spite of the fact that the present war in China is termed revolutionary by the Communists and a bandit-suppression campaign by the Government, it is commonly acknowledged as a civil war by unbiased minds.

"The civil war was not begun after VJ Day. It was started 10 years before the Sino-Japanese War. During the war of resistance, the Kuomintang and the Communists buried their past differences and joined hands in fighting the Japs. There were minor frictions and strife, but they were kept hidden and never came out in the open.

"Upon the conclusion of the war, the conflict between the Kuomintang and the Communists became more apparent. The peace talks proved abortive when the two parties failed to compromise. Therefore, the National Government gave up its policy of trying to reach an agreement with the Reds by political means and resorted to brute force. A nation-wide general mobilization was ordered.

"The people unanimously appealed for peace. They opposed the civil war and asked for a political settlement of the Kuomintang-Communist disputes....

"In effect, it is impossible for the Government to eradicate the armed forces of the Communists in a short time. On the other hand, it is also impossible for the Communists to overthrow the Kuomintang in the near future, because the people are tired of war and famished for peace. It is possible that the Reds realized this point. They have proposed to convene a new political consultative conference. Cessation of the civil war can be realized only when the two parties concerned are willing to stop fighting and negotiate for peace. It is quite obvious that neither the Kuomintang nor the Communists are willing to stop military activities unilaterally.

"The civil war is not a question of whether the Kuomintang or the Communists will eventually win. It is a problem which threatens the lives of the people. If we want to continue to live, we must demand cessation of the civil war. We cannot pin our hopes on the authorities of the Kuomintang and the Communists to end the war voluntarily. The most reliable means is to depend on our selves."

What Chinese Papers Say

President Chiang Kai-shek's statement on the importance of the revolutionary spirit during the present national crisis was enthusiastcially hailed. Other topics commented upon were the war situation and President Truman's abortive plan to send a personal representative to Moscow.

* * *

Revolutionary Spirit

Supporting President Chiang Kai-shek's stirring appeal for a display of revolutionary spirit in coping with the present extremely difficult situation, the *Chung Yang Jih Pao*, official organ of the Kuomintang, wrote: "The Kuomintang is intrinsically a revolutionary party. But some people both inside and outside the party do not have a clear understanding of the true character of the Chinese Communists, who are actually fifth columnists, and therefore failed to treat them as such. This really is a matter for sincere regret.

"Hard facts have taught us that the Communist bandits are cruel and tyrannical in the extreme and their wickedness and evil-doing make the Manchus pale by comparison and compare favorably with those of the Japanese militarists. Their ultimate goal is to convert China into a puppet state. If we have overthrown the Manchus and defeated the Japs, it naturally follows that we can finally wipe out the Communists. What we need is revolutionary spirit....

"The present is no time for us to blame the military authorities for the prevailing state of things. We must ask ourselves these questions: How much have we contributed toward the cause individually? What practical work have we done to help with the general mobilization to suppress the Communist rebellion? Have we coordinated our ideological war with the military operations? Have we displayed revolutionary spirit in meeting danger and hardship?

"Any successful employment of military power calls for popular cooperation and coordinated actions on the political and economic fronts; otherwise the military campaign cannot be won single-handed.

"What is sorely needed today is a coordination between political and military measures and whole-hearted cooperation on the part of the people. If we preserve our faith in the revolution and manifest a revolutionary spirit, then as President Chiang has pointed out, the change from danger to safety, from defeat to victory will come immediately."

* * *

War Situation

Discussing the war situation in Manchuria, the *Chien Sien Jih Pao*, a paper generally believed to be closely connected with the Chinese Army, stressed that there is no evidence of the Nationalist's intention of withdrawing from Manchuria. The reasons given by the paper are:

1. Though a large number of Government troops are tied down in Manchuria, the presence of the Nationalists serves a very useful purpose in preventing a considerable portion of Communist units from being transferred elsewhere. Therefore, any withdrawal of the Nationalists from Manchuria to the other side of the Great Wall, while adding to the strength of the Nationalists in North China, would remove a threat to the rear of the Communists, who would feel free to move heavy units to take part in the current fighting in North China.

2. Manchuria is rich in natural resources. If the Government troops should withdraw, the Communists of course would have a much easier job strengthening their rear and boosting their production of war supplies. In this way, the Government would be playing into the hands of the Communists by helping them to strengthen their position.

3. Even a temporary abandonment of Manchuria would produce adverse effects both at home and abroad and serve to raise the morale of the Communists.

* * *

Wishful Thinking

In analyzing the reasons why President Harry S. Truman may have planned to send a personal representative to Moscow to talk things over with Soviet leaders, the *Tung Nan Jih Pao* ventured the following:

First, the world situation has deteriorated in recent months so fast that the fate of world peace is seriously at stake. The danger of war has reached the stage beyond war preparations. As peace cannot be achieved, it seems desirable to have a "buffer" stage.

Second, with the exception of the United States and the Soviet Union, which are fully prepared, all other countries are internally weak in spite of their bluffing. Consequently, they are exceedingly reluctant to throw in all their stakes in the big gamble. As the United States is now engaged in helping in the rehabilitation of Europe and in gaining complete control of the Far East, there is no reason why she should not explore the possibility of stalling in order to strengthen herself and her allies.

Third, the United States is on the eve of its presidential election and no important national policy can be determined at this time. If a peace feeler can do the present administration any good, why should such an attempt not be made?

However, the paper concluded the world situation as a whole has rendered it extremely difficult for any party to adopt any decisive peace policy and it is not surprising that President Truman's plan should have miscarried.

* * *

Food Problem

The *Ta Kung Pao* considered the food problem the core of China's present-day economic problems and pointed out that unless this problem is satisfactorily solved it is idle to talk about stabilizing the general economic situation.

"Local governments," the paper wrote, "often ban the export of foodstuffs, thus producing serious effects on those districts which are suffering from food shortages. For example, stocks of wheat in Shanghai are about to be exhausted, and many flour mills have bought several tens of thousands of bags of wheat at such places as Chinkiang, Wusih, Hsuchow and Pengpu. But because export is banned by the local authorities, the wheat purchased there cannot be shipped to Shanghai.

"Again, food prices in producing and consumption areas respectively should be fixed after due consideration is given to the nation-wide situation as a whole....Ceiling prices are now in force in many districts and prices fixed for consumption areas adjacent to producing areas must not be lower than those in the producing areas. Lower prices will not only put a stop to supplies from the producing areas, it will also lead to a heavy flow of commodities from the consumption areas to the producing areas.

"In operating food rationing in the five leading cities of the country, the Government is reported to have spent more than GY22,000,000 a month. In fairness, the rations issued during the past few months have brought about a relative stability of food prices in the cities and these good effects cannot be ignored. But the Government has borne a heavy loss and though nominally this is taken by the National Treasury, the farmers ultimately suffer. What if the rations are stopped? Of course, food prices will soar and the poor in the cities will again find themselves unable to buy rice. Generally speaking, the conditions described illustrate the extraordinary economic situation today.

"This year, many districts south of the Yangtze River, suffered from floods and so crops will certainly be affected. Hunan, Hupeh, Kiangsi and Szechuen have all sent urgent petitions to the Central Government, requesting that taxes on farm products be abolished or reduced. Moreover, the proposed land tax in kind and government requisitioning of foodstuffs for this year show an increase in quantity as compared with last year. All these factors combined add to the heavy burden of the people."

What US Papers Say

EDITORIALS in numerous US newspapers have commented recently upon the spread of Communism in Asia, especially in China. Problems confronting the Indonesian Republic, and the question of international control of atomic energy in relation to the Soviet Union were also topics of US editorials last week.

* * *

Communism in Asia

SEVERAL papers take the view of the *New York Times* which sees the fighting in China as the 'climatic manifestation of a force which seeks to stir up similar strife throughout Asia in a bid for domination over more than half the human race.' Others comment on US relations with China, referring specifically to the report on Communism made last week by a subcommittee of the US House of Representatives Foreign Affairs Committee. This report recommended that the United States provide economic and military aid to guarantee China's territorial and political integrity. Several papers frankly criticize US policy to date in China, while calling for aid to the Chiang Kai-shek Government.

The *Cleveland* (Ohio) *Plain Dealer* blames much on propaganda which flooded the United States with the idea that "the Chinese Communists were merely liberals in disguise who had no connection with Soviet Russia and were merely struggling for basic reforms." The paper adds: "Belatedly we have come to realize that China is a vital area in the struggle against Communist aggression, and that this vast territory is in danger of succumbing to Communist domination unless we act promptly to bolster the Chinese resistance."

The *Washington Daily News* (Scripps-Howard) criticizes US policy of "temporizing with Communism," and adds: "Congress may force more generous and realistic treatment of our Chinese friends when it reconvenes in January."

The *Memphis* (Tennessee) *Commercial Appeal* declares: "Aid to Chiang is immediately imperative and urgent."

Several other papers, however, while noting the urgency of the situation, also see the complexities involved, and in some cases call for reform or reorganization of the Nationalist Government as a prerequisite for additional American aid. The *Norfolk* (Virginia) *Pilot*: "The problem of China is a real one for our foreign policy . . . One thing is certain. Reorganization of the Chiang Government from top to bottom is necessary if that Government is best to use such aid as this country can supply."

The *Dallas* (Texas) *Morning News*: "The big difficulty is that the Chiang regime is inefficient and corrupt . . . We need to help China, but we must first find some way to get our help to the places where it can be used. . . That is the big problem, but one that we cannot afford to sidestep."

The *Christian Science Monitor* (Boston) points out that there are several sorts of proponents for aid to China, classing itself with those "who want to save China from Communism and believe it can be done—and can be done only—by a reform of the Nationalist Government and armies as a basis for further American help." The paper adds: "The problem calls for something other than 'simple and rudimentary' weapons or a simple assumption that a 'decision' can be forced in this enormous, ancient, slow-moving and complex land by the expenditure of a few American billions. It calls for what the problem of relief for China has already received—a patient exploration of limited areas of effective application, a patient pressure for honesty and efficiency in the administration of strictly provisional aid."

* * *

Status of Indonesia

ON the heels of a Hague conference between the Dutch Government and 12 representatives of the Indonesian states for the creation of an Indonesian federation in association with the Netherlands, US newspapers editorially appraised the status of the Republic of Indonesia in the light of its struggle against insurgent Communists in Java.

The *Washington Star* said the apparent Republican success in breaking up the Communist rebellion offered "at least a possibility" for a constructive settlement of the issues between the Republic and the Netherlands, and added: "It is to be hoped that this favorable opening for genuine negotiations will not be neglected. For the first time, a constructive settlement seems possible."

Taking a more pessimistic view, the *San Francisco Chronicle* said: "The United Nations, through its good-offices committee, managed last January, aboard the US cruiser Ronville, to get the Dutch and the Indonesians to agree to a truce, which has been more or less in effect since. If final agreement has come any nearer since then, signs are lacking. . . The UN good-offices commission, is still sweating it out in Batavia. The Western powers in the United Nations and the Netherlands Government had better move soon to create enough self-government in Indonesia to satisfy reasonable native demands. If it is true that the Communists are already influential in the Republican Government, they would not become less so if the stalemate were to continue."

* * *

Atomic Energy Control

US newspapers in their editorial comment have been quick to point out that the recent Soviet "offer" on international control of atomic energy does not mean any change in the Soviet opposition to the control and inspection provisions found to be necessary by the UN Atomic Energy Commission. In view of this, the comment emphasized, the Soviet proposal for the drafting of a convention for outlawing and destruction of atomic weapons and a convention establishing a control agency—both to go into force simultaneously—must be regarded as a propaganda move designed to mislead public opinion.

In a typical comment, the *Washington Daily News* (Scripps-Howard) said in part: "On its face, the plan presented to the UN Assembly by Soviet Deputy Foreign Minister Vishinsky is plausible . . . Actually, this is the same old sabotage by which the Soviets have blocked atomic control for more than two years, though it is dressed up in somewhat new form.

"The essence of the American Baruch plan, which has been accepted by all nations of the UN Atomic Commission except the Red bloc, is to turn over atomic energy to effective international control with no veto. Stalin always has insisted on the veto, by which he could prevent international control—or even inspection—in Russia. He still does. Under the Soviet plan, the United States would give up its present leadership in atomic development and destroy its bombs. In exchange, it would get a Soviet signature on two treaties. Stalin's record as a treaty-breaker does not make this a safe bet . . ."

Philadelphia Inquirer: "If ever an international problem required absolutely clear understanding and utter sincerity of treatment, it is that of the atomic bomb . . . There is just one vital, paramount issue: Shall the world, in the spirit of self-preservation, by the exercise of simple, straightforward honesty, achieve real international control of the atom for peace? Or will the machinations of men without conscience—and certainly without understanding—keep the atom bomb hanging by a thin thread above the fearful millions throughout the globe? . . ."

The *St. Paul* (Minnesota) *Pioneer Press*: "When the Russians accuse America of being a warmonger, plotting to attack them, it must occur to reasonable people all over the globe that if the monstrous, silly accusation were correct, America would not have waited for others to get the atomic bomb but would have struck while it still had the monopoly. One good proof of the peaceful object of American policy is that the possession of this overwhelmingly powerful weapon has not been used to bully, threaten or coerce anyone, much less attack them. Would the Soviet Government have been equally peaceful if Russia had the bomb and America did not? In view of their actions, the answer seems clear."

NEW BOOKS OF INTEREST

China Interpretation

CHINA—TWILIGHT OR DAWN?
By Frank W. Price. Published by the Friendship Press, New York, 1948. 184 pp., notes, references, reading list, index. US$1.50. Reviewed by Donald Roberts.

THIS is a small book, but excellent in its information and interpretation. Frank Price is known for his all-out participation in the life of China, especially during the war years. He has written this book primarily for those interested in the study of Christian missions in China, but the material is not watered down. It does not give the reader one particular view, but represents the analysis of a man who has had more opportunities than most writers, professional or other, to see all aspects of the changes in China today, especially in rural China.

The author for example is clearly an admirer of the leadership of General Chiang Kai-shek; and he will remark regarding Communist literature in China that he finds little said in it "about general suffrage, an elected government, or political or religious freedom." Yet his tone is illustrated in the comment that he knows many "who dread a Communist dictatorship and police state.... yet feel that some kind of storm is needed to clear away the deadwood of vested interest in property and privilege, and prepare the way for better government and economic life."

'The title, "Twilight or Dawn?" suggests the dilemma one meets with in Chinese opinion. The destructiveness and the fatigue of war—"All of us are tired, tired"; the economic setback; uprooting of family and social life; disease and privation; the demoralization of unresolved war between Government and Communists; all these represent cause for discouragement. But Dr. Price quotes a Chinese proverb: "If one does not perish in a great calamity, some good fortune is certain to follow." There is an inherent vitality in the Chinese. Revised treaties, a new national consciousness, a growing public opinion, cooperatives, new airways, motor roads, wider city streets, a new dignity for China among the nations; all these are objective evidence of betterment.

Politically, the need is, as Dr. Price puts it, that the National Government "regain its prestige and popular support by genuine liberalization and reform, by evolving more quickly into the democratic government that the Chinese people want, and by constructive aid from the UN and the United States."

The need spiritually is a new synthesis of thought, a new moral energy, and this Dr. Price finds actively illustrated among the greatly increased numbers of Christian Chinese more than anywhere else. On this subject there are two interesting chapters in this genuine, informative and useful book.

Soviet View

NORTH OF THE 38TH PARALLEL
By A. Gitovich and B. Bursov, translated from the Russian by George Leonov. Published by the Epoch Publishing Company, 60 Wukiang Road, Shanghai; June, 1948. 153 pp. Paper cover. Reviewed by Donald Roberts.

THE Epoch Publishing Company, which published "North of the 38th Parallel", are the publishers of a book which was reviewed not long ago in the *China Weekly Review*,—"The Mongolian People's Republic"; also of V. M. Molotov's Speech on the 30th Anniversary of the October Socialist Revolution, and "The Russian Question," A Play—by K. Simonov.

"North of the 38th Parallel," translated from the Russian by George Leonov, is in part a book of travel experiences, from Russian territory into Rashin, Seishin, Kanko, and Pyongyang in Korea; it records a meeting and conversations with Kim Ir-sen, former Korean guerrilla leader in Manchuria, also formerly chairman of the provisional people's committee of North Korea, and now (since September 11 of this year) Premier of the Supreme People's Council which claims to represent both North and South Korea. There are a considerable number of attractive photographic reproductions of Korean social, economic, and public life in this northern area.

"Two Universities" is the title of a chapter which compares Seoul University, in the zone of American occupation, with the new university in Pyongyang founded in 1946 and named after Kim Ir-sen. "The Pyongyang University has already started to work on 'The History of Korea', 'The History of Korean Literature', and 'The History of Legal Institutions in Korea.' The Seoul University is Korea's past; that in Pyongyang—its future."

The election of people's committees in November 1946 is told of in a later chapter. "It was decided to create in all electoral districts a single National Democratic Front which would appoint its own candidates and deputies." This would seem to make an election unnecessary.

All references to Americans are unfavorable, without exception; one of these clearly implies that the Americans intend "to convert Southern Korean into a base for US expansion in the Far East."

The 38th parallel divides two ideologies, for Koreans as for others, and it looks at present as if never the twain shall meet.

* * *

A Look At Labor

SURVEY OF LABOR ECONOMICS
by Florence Peterson. Harper Brothers. New York and London. Reviewed by Henry D. Jones.

Too long have our colleges taught courses in "Community Disorganization" and "Labor Problems," viewing the normal processes of society with a jaundiced eye. Here is a book that looks at "labor" not only as a factor in the economy but also as people. In this book, for instance, the chapter on "Labor Productivity" deals with modern technological developments as assets to the well-being of the community, rather than the usual treatment of them as solely causes of unemployment.

These days most college people are called upon to make decisions relative to labor-management affairs, whether as business men, lawyers, or community leaders. It is well therefore that *all* college students study "Labor Economics" for its bearing on population, wages, manufacturing, as well as the personal and group reactions toward processes or legal decisions. To understand these, the various theories of population, of wages, as well as the history of labor organization, social security and labor relations laws, and the legal foundations of collective bargaining need to be viewed. No one has done a better job of this than the author. Few are qualified to do as fine a job as Florence Peterson, staff member of the Bureau of Labor Statistics, U.S. Department of Labor.

Each chapter concludes with a long list of reference books. If each chapter could have references on the China scene and ample illustration by the teacher to the situation in China rather than America this would be an admirable text for colleges here. The material is succinctly written with good general illustrations so that students with good reading ability need not cover many pages to get the basic facts. For example, the chapter on "Manufacturing Employment" is only 20 pages with sections on Steel, Automobiles, Rubber, Glass, Machinery, Textiles, and Clothing.

With available comparative data on Chinese industry, either in English or Chinese, this chapter would become an important and vital part of any citizen's understanding of Chinese Industrial Development. Likewise the chapter on "the Growth of the American Labor Movement", could be well supplemented by Nym Wales,' "The Chinese Labor Movement" and materials on the present China Federation of Labor. Best of all, when new labor laws are being considered it is good to have available for public study and discussion the actual texts of laws that have proven of great value in the development of sound labor economics and labor-management relations. The complete texts of the Federal Anti-Injunction Law, National Labor Relations Act, and Fair Labor Standards Act are here.

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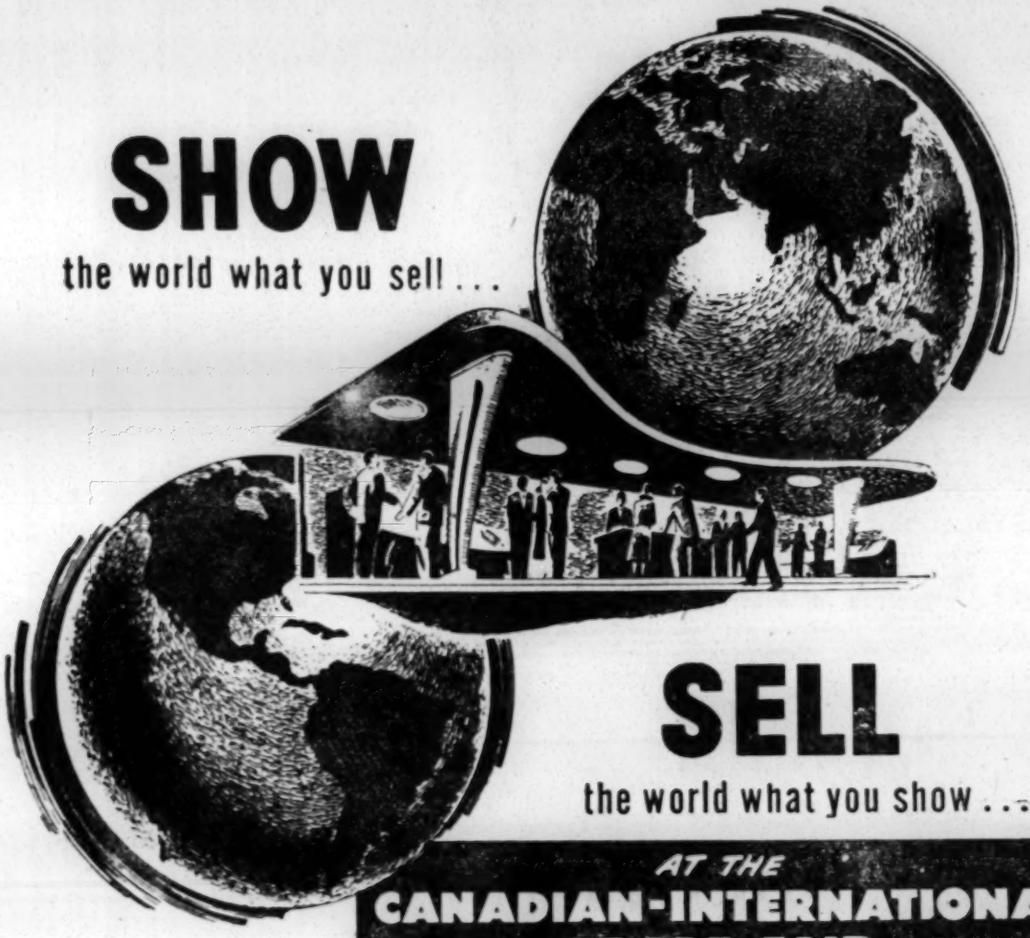

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